

Allianz Income Plus Benefit

Allianz Life Insurance Company of North America



The Allianz Income Plus Benefit

Fixed annuities can offer you many benefits. One is the opportunity to receive the contract's value in a stream of income lasting as long as you live. In many cases, though, there is a trade-off for this benefit: The contract's interest – and your ability to cash out its value – may cease when annuity income payments begin.

What if you could receive the value of your annuity contract as an income stream AND continue to benefit from interest crediting?

You can, with our Income Plus Benefit. It's an option you can purchase when you buy selected Allianz annuities.

A lifetime of guaranteed income that can increase year after year!

With the Allianz Income Plus Benefit, your annuity can provide you with a stream of income you cannot outlive – **PLUS** the opportunity for continued fixed or indexed interest while you receive income.

You can choose to defer (delay) the start of your income payments.

Until your payments begin, your income withdrawal value is guaranteed to grow every year for up to 10 years. It will increase by the greater of:

- The fixed and/or indexed interest rate your annuity earns, or
- The Treasury Benchmark Rate (a 30-day average of the 10-year Constant Maturity Rate)

This assurance of interest based on your allocations' interest rate or the Treasury Benchmark Rate – whichever is greater – will last for 10 years or until you start taking income, whichever comes first. You can select to begin your income payments when you reach age 60.

You can begin receiving income now.

Your annual income withdrawal amount will always benefit from the interest rate your contract earns based upon the fixed and/or indexed allocations you choose. Your income payments can go up, but they can never go down.

Income Plus: Here's how it works.

When you purchase an eligible Allianz fixed index annuity, you can add our Income Plus Benefit at an additional cost. The annual cost is based on your income withdrawal value, and $\frac{1}{2}$ of this cost is deducted monthly from your contract's accumulation value.

Any time after you have reached your 60th birthday, you can request that you start receiving income payments on your next contract anniversary. If you are already 60 or older when you purchase your annuity, your payments can begin immediately or on any subsequent contract anniversary.

Income payments must start before you reach age 90. Keep in mind that, regardless of when your payments begin, they are considered partial withdrawals and will be subject to ordinary income tax.

Your age goes up. And so can your payments.

Your initial maximum annual income withdrawal amount is based on your age when you begin your income payments. As you can see in the chart below, the longer you wait to begin receiving income payments, the

greater the percentage of your contract's income withdrawal value you may receive as your initial annual income withdrawal.

Percentage of income withdrawal value available as initial annual income withdrawal:

Age of contract owner	Individual owner	Joint owners ¹
60-69	5.0%	4.5%
70-79	5.5%	5.0%
80-90	6.0%	5.5%

¹Based on the age of the younger contract owner.



Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

Your patience is rewarded – with guaranteed interest.

If you choose to delay receiving income payments, your income withdrawal value is guaranteed to increase until payments begin or until your 10th contract anniversary (whichever comes first). For up to 10 contract years or until you begin taking income payments, your contract's income withdrawal value is guaranteed to increase by the greater of (A) the year's interest rate, or (B) the Treasury Benchmark Rate.

The Treasury Benchmark Rate is a rate that we calculate at contract issue and then guarantee for the life of your contract. It's based on the 10-year Constant Maturity Rate published by the Federal Reserve Board. Every year, before you begin taking income payments, if the benchmark rate is higher than your interest rate, your contract will be credited the higher (benchmark) rate.

So even if there is a decline in your selected market index(es), your contract's income withdrawal value will increase for up to 10 years preceding your first income payment.

After your 10th contract anniversary, the income withdrawal value will continue to

benefit from increases in your allocations, until income payments begin.

After your income payments begin, they can continue to increase based on the performance of your selected index(es). As the years pass, your income payments will be recalculated on each contract anniversary to reflect any fixed or indexed interest.

The chart on the following page shows how you can benefit from guaranteed interest until you begin receiving income – even if your market index(es) don't increase. To see how waiting to begin income payments can impact the guaranteed minimum payment you would receive, use the chart to:

- First, decide how many years from now you plan to begin receiving income payments, as shown in the first column.
- Next, determine how old you will be when you receive your first income payment.

The intersection of those two values shows your minimum annual income withdrawal.



Annual income withdrawal examples

Years until payments begin	Age when income payments begin			Income withdrawal value
	(60-69)	(70-79)	(80-90)	
0	\$5,000	\$5,500	\$6,000	\$100,000
1	\$5,150	\$5,665	\$6,180	\$103,000
2	\$5,305	\$5,835	\$6,365	\$106,090
3	\$5,464	\$6,010	\$6,556	\$109,273
4	\$5,628	\$6,190	\$6,753	\$112,551
5	\$5,796	\$6,376	\$6,956	\$115,927
6	\$5,970	\$6,567	\$7,164	\$119,405
7	\$6,149	\$6,764	\$7,379	\$122,987
8	\$6,334	\$6,967	\$7,601	\$126,677
9	\$6,524	\$7,176	\$7,829	\$130,477
10	\$6,720	\$7,392	\$8,063	\$134,392

Assumes initial income withdrawal value of \$100,000, zero indexed interest, and a 3% Treasury Benchmark Rate, applied before income payments begin (for up to 10 years).

Here are some hypothetical examples, as highlighted in the chart:

- (A) Jeff is in his 60s and wants immediate income withdrawals. His initial annual payment would be \$5,000 (as shown in light blue above).
- (B) 75-year-old Mary Louise purchases her annuity, planning to take income after three years. She will still be in her 70s when she gets her first withdrawal. Combining the 70s age column with the "3 year" deferral row, Mary Louise can count on at least \$6,010 per year for the rest of her life (as shown in darker blue above).
- (C) 75-year-old Norm plans to wait five years before starting his withdrawals. That will put him in his 80s when payments begin. Going down the 80s column until he reaches the "5 year" deferral row, Norm knows his annual payments will be at least \$6,956 for as long as he lives (as shown in gray above).

Once payments begin, they can continue to increase.

Regardless of when you begin receiving income payments, from that point on you can still benefit from any fixed and/or indexed interest earned. On every contract anniversary, your annual income withdrawal amount is recalculated to reflect any positive changes in your allocations.

Receive income once a month, once a year, or something in between.

You may take your income withdrawal payments monthly, quarterly, semiannually, or annually. Just let us know your preference.

Your income payments can go up, but they will never go down.

With the Allianz Income Plus Benefit, increases are locked in permanently. So as long as you don't diminish your contract values by taking additional withdrawals, your payments will never go down.

Here's an illustration of hypothetical annual income payments available with the Allianz Income Plus Benefit if income begins immediately. It's based on actual historical S&P 500 performance from January 1, 2000 to December 31, 2009.

Note that in most of the years illustrated, the annual income withdrawal amount would have increased by the indexed interest rate. In 2001 – 2003, the index declined and the indexed interest rate was 0%, but the annual withdrawal amount would have remained steady.

Date	Age	Example 1 – At hypothetical monthly cap of 2.10%			Example 2 – Guaranteed values with no indexed interest		
		Indexed interest rate	Annual income withdrawal amount	Income withdrawal value	Indexed interest rate	Annual income withdrawal amount	Income withdrawal value
1/1/2000	65		\$5,000	\$100,000		\$5,000	\$100,000
1/1/2001	66	0.00%	\$5,000	\$95,000	0.00%	\$5,000	\$95,000
1/1/2002	67	0.00%	\$5,000	\$90,000	0.00%	\$5,000	\$90,000
1/1/2003	68	0.00%	\$5,000	\$85,000	0.00%	\$5,000	\$85,000
1/1/2004	69	8.85%	\$5,443	\$87,083	0.00%	\$5,000	\$80,000
1/1/2005	70	5.98%	\$5,768	\$86,521	0.00%	\$5,000	\$75,000
1/1/2006	71	0.00%	\$5,768	\$80,753	0.00%	\$5,000	\$70,000
1/1/2007	72	11.10%	\$6,409	\$83,312	0.00%	\$5,000	\$65,000
1/1/2008	73	0.00%	\$6,409	\$76,903	0.00%	\$5,000	\$60,000
1/1/2009	74	0.00%	\$6,409	\$70,495	0.00%	\$5,000	\$55,000
1/1/2010	75	0.00%	\$6,409	\$64,086	0.00%	\$5,000	\$50,000

This hypothetical illustration assumes:

- The annuity contract and Income Plus Benefit were available during the time period shown and both were issued on 1/1/2000, at age 65.
- The contract owner immediately began taking income payments.
- The initial income withdrawal value was \$100,000 with 100% of premium allocated to the S&P 500 monthly sum crediting option.
- The hypothetical monthly cap used in Example 1 is 2.10%.

Keep in mind that this represents past hypothetical results only and will vary depending on several factors. This may not be used to predict or project future results. Actual results will vary by crediting method chosen, caps, and spreads, as well as the market conditions. No single crediting method consistently delivers the most interest under all market conditions.

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Answers to your questions about the Allianz Income Plus Benefit

When and how are my income withdrawal value and annual income withdrawal calculated?

On the date your contract is issued, your income withdrawal value is equal to the premium you paid plus any applicable bonus. Until you take your first income payment, we recalculate your income withdrawal value on every contract anniversary to reflect any interest earned, any withdrawals taken, or any additional premium paid during the year.

When you decide to start taking income payments, we will multiply your current income withdrawal value by the applicable annual withdrawal percentage (which is based on your age when payments begin).

The result is your initial maximum annual income withdrawal amount. Future annual income withdrawals are based on this initial amount, not your contract's income withdrawal value.

If your annuity earns interest during a contract year, on the next contract anniversary we will increase your annual income withdrawal by using the same interest rates (weighted according to your allocations) that increased your accumulation value.



Here's a hypothetical example that shows how an increase in the annual income withdrawal is calculated.

Assume that at the beginning of a contract year, your accumulation value is allocated to three crediting options:

- 50% to S&P 500/monthly sum
- 25% to blended index/monthly average
- 25% to FTSE 100/annual point-to-point

In addition, assume the S&P 500 and blended index components showed positive growth, while the FTSE 100 component was negative.

	Indexed interest rate	Allocation percentage	Weighted indexed interest rate
S&P 500 monthly sum	10.25%	x50%	= 5.13%
Blended index monthly average	6.40%	x25%	= 1.60%
FTSE-100 annual point-to-point	0.00% ¹	x25%	= 0.00%
			= 6.73%

With the Income Plus Benefit, income would increase 6.73% the following contract year.

¹ Even though this index had a negative result, with this crediting method the indexed interest rate will never be less than zero.

The blended index is comprised of the Dow Jones Industrial Average (35%), Barclays Capital U.S. Aggregate Index (35%), FTSE 100 Index (20%), and Russell 2000 (10%).

The FTSE 100 Index comprises 100 of the most highly capitalized blue chip companies in the United Kingdom (UK), representing approximately 80% of the UK's market capitalization. FTSE 100 Index companies are all traded on the London Stock Exchange. The FTSE 100 is considered to be the most widely used UK stock market indicator. The FTSE 100 Index is one of several indexes in the FTSE UK Index Series. The UK Series is designed to represent the performance of UK companies, providing investors with a comprehensive and complementary set of indices that measure the performance of all capital and industry segments of the UK. "FTSE", "FT-SE", "Footsie", "FTSE4Good", and "techMARK" are trademarks jointly owned by the London Stock Exchange Plc and the Financial Times and are used by the FTSE International Limited ("FTSE") under license. "All-World", "All-Share", and "All-Small" are trademarks of FTSE. The FTSE 100 is calculated by FTSE. FTSE does not sponsor, endorse, or promote this product and is not in any way connected to it and does not accept any liability in relation to its issue, operation, and trading.

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The Dow Jones Industrial AverageSM is a popular indicator of the stock market based on the average closing prices of 30 active U.S. stocks representative of the overall economy. "Dow Jones" and "Dow Jones Industrial Average" are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by Allianz Life Insurance Company of North America. Allianz annuities, based on the Dow Jones Industrial Average, are not sponsored, endorsed, sold, or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of investing in such product(s).

Russell 2000[®] Index is an equity index representing 2,000 of the smallest companies within the larger Russell 3000[®] Index. It is often looked at as one benchmark for small stock investors. Russell 2000 is a registered service mark of Frank Russell Company.

Answers to your questions about the Allianz Income Plus Benefit

Can I take payments that add up to less than the maximum annual income withdrawal amount each year?

Yes. Your total payments within a contract year can be for any amount you choose, as long as they do not exceed your maximum annual income withdrawal amount. You can even suspend payments and then restart them later. You should be aware, though, that taking an amount less than the maximum annual income withdrawal amount in any year will result in your receiving less money over your lifetime. Conversely, the remaining income withdrawal value of your contract, which would be available as a death benefit for your beneficiaries, would be higher.

Can I change from one payment frequency to another?

Yes. You can change the frequency on every contract anniversary. At any time during a contract year, you also have the option to take a lump sum of the year's remaining maximum annual income withdrawal amount.

Can I earn interest on the money I receive as income withdrawal payments?

Yes. At the end of the contract year, your accumulation value will be credited with any interest earned for the portion of the contract year that the amount you received remained in the contract.

Can I take a partial surrender of my accumulation value while I am receiving income payments?

You can. Keep in mind, though, that once you begin receiving income payments, your maximum annual income withdrawal amount in any given year will also be your maximum free withdrawal amount. Your income withdrawal value and your future income payments will be reduced to reflect your additional partial surrender and any surrender charges or other contract penalties that may apply.

How do I pay for the Income Plus Benefit?

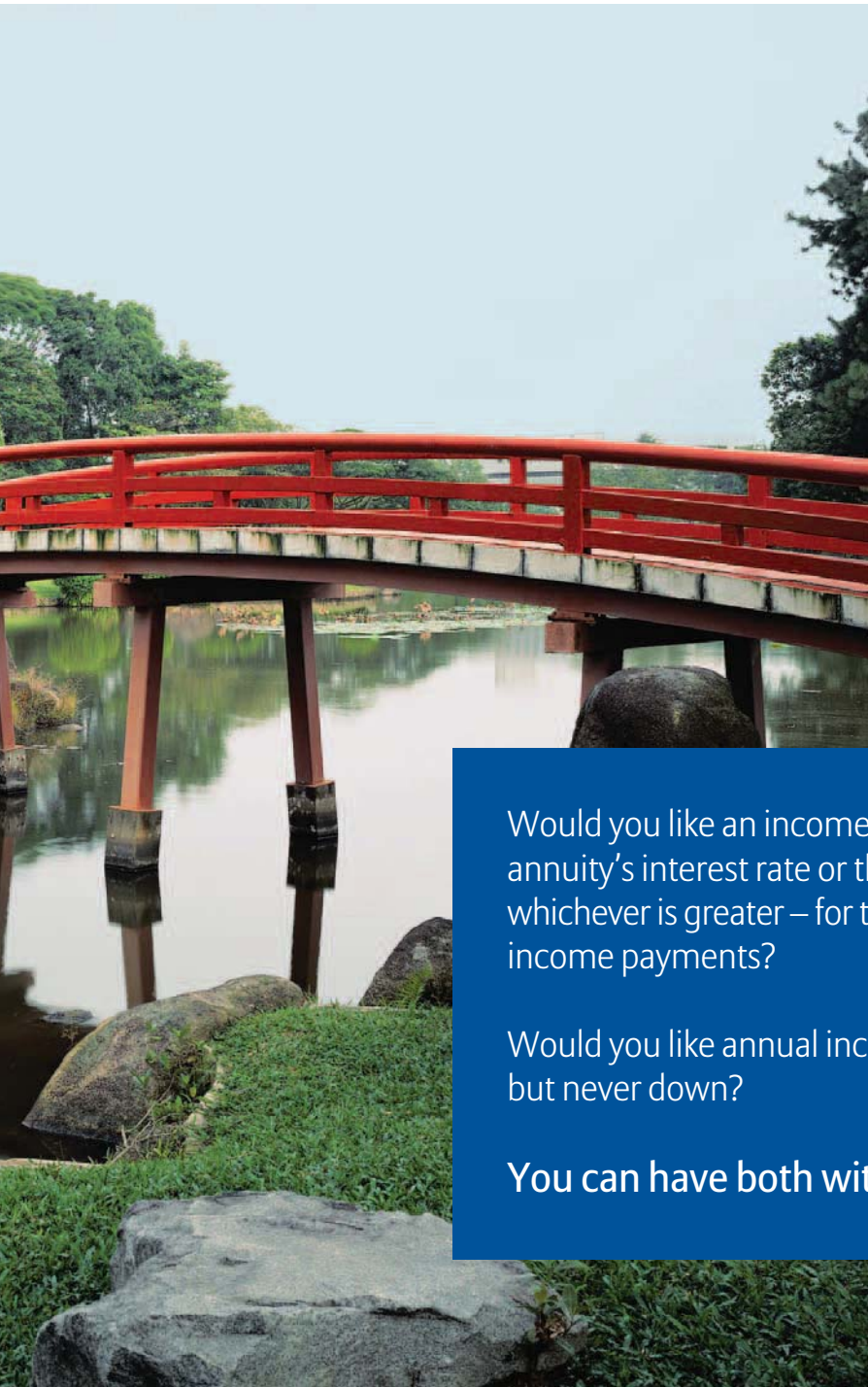
The cost of this benefit is automatically deducted on a monthly basis from your contract's accumulation value.

Does the Allianz Income Plus Benefit include a death benefit option?

With Allianz Income Plus your beneficiaries can receive the contract's remaining income withdrawal value if they choose traditional annuity payments lasting five years or longer. If they prefer a lump-sum payment, your beneficiaries will receive your contract's accumulation value.

Thank you for considering this important income benefit from Allianz.





Would you like an income base that increases based on your annuity's interest rate or the Treasury Benchmark Rate – whichever is greater – for the first 10 years or until you begin income payments?

Would you like annual income withdrawals that can go up – but never down?

You can have both with our **Income Plus Benefit.**

Financial professional name _____

License number _____

Not FDIC insured • May lose value • No bank or credit union guarantee
Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF



True to our promises ... so you can be true to yours.SM

A leading provider of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) bases each decision on a philosophy of being true: True to our strength as an important part of a leading global financial organization. True to our passion for making wise investment decisions. And true to the people we serve, each and every day.

Through a line of innovative products and our network of trusted financial professionals, Allianz helps more than 1.2 million people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz is now proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

While we pride ourselves on our financial strength, we're made of much more than our balance sheet. We believe in making a difference with our clients by being true to our commitments and keeping our promises. People rely on Allianz today and count on us for tomorrow – when they need us most.

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

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