

Allianz Life Insurance Company of North America

# Allianz MasterDex 5 Plus<sup>SM</sup> Annuity

Make your plans.  
Then make them happen.

For all that's ahead.<sup>SM</sup>

Allianz 

Discover the  
**MasterDex 5 Plus<sup>SM</sup>**  
Annuity from Allianz.



# Allianz MasterDex 5 Plus<sup>SM</sup> Annuity

A solid retirement plan considers both phases of retirement: **accumulation** – when you’re saving for retirement – and **distribution**, when you start receiving retirement income. A fixed index annuity can help you prepare for both.

Buying an annuity is one way to build your retirement assets. Annuities offer **principal protection** and **potential interest** to help you accumulate money for your retirement. The money in your annuity can grow **tax-deferred**, which may help your savings accumulate faster.<sup>1</sup>

Annuities also offer **valuable guarantees** and **death benefit protection**. If you surrender your contract, you’ll receive at least a guaranteed minimum value. And because annuities are insurance products, they can give you the reassurance of knowing that your beneficiaries will get a death benefit if you pass away before you start receiving annuity payments.

Finally, annuities give you several **income options** once you’re ready: You can receive income as a single payment, as regular payments over a specific period of time, or even as **income for life**.

These are just a few of the reasons why many people rely on annuities to help them achieve their long-term financial goals.

## Fixed index annuities offer additional benefits

In addition to the benefits we’ve just discussed, a fixed index annuity has the potential to earn interest based on changes in an external index. This is different from traditional fixed annuities, which credit interest calculated at a fixed rate set in the contract.

Because the chosen index varies daily and is not predictable, the interest you earn through a fixed index annuity could be more or less than the interest from a traditional fixed annuity. Many fixed index annuities also let you allocate premium to a traditional fixed interest option, where interest is credited at a fixed rate.

Regardless of whether you choose fixed interest, indexed interest, or a combination of both, an annuity’s benefits can make it a valuable part of your overall retirement strategy.

<sup>1</sup> Distributions from your annuity may be subject to a surrender charge. Distributions are also subject to ordinary income tax and, if taken before age 59½, a 10% federal additional tax may apply.

Please note that Allianz Life Insurance Company of North America (Allianz), its affiliated companies, and their representatives and employees do not give legal or tax advice. You are encouraged to consult your tax advisor or attorney.

Must be used with the Allianz MasterDex 5 Plus consumer brochure insert (CB51261-B or appropriate variation).

## Realize the potential.

Allianz MasterDex 5 Plus is a flexible premium deferred fixed index annuity. It can offer you guarantees while it helps you reach your financial goals. With Allianz MasterDex 5 Plus:

- Each year, you may receive indexed interest based on changes in an external market index, subject to a cap or spread.
- You earn a bonus on premium received in the first five contract years.
- Any indexed interest is locked in once a year and can never be lost due to market index declines.
- After 10 contract years, you can take your annuity's full accumulation value.

Bonus annuities may include higher surrender charges, longer surrender charge periods, lower caps, higher spreads, or other restrictions that are not included in similar annuities that don't offer a premium bonus feature.

During the first 10 contract years, we will apply a surrender charge if you partially or fully surrender your contract. The same would apply if you begin receiving annuitization payments prior to the sixth contract year (or for fewer than 10 years). These charges may result in a loss of bonus, indexed interest and fixed interest, and a partial loss of principal (your premium). Any amounts you receive from your contract may be subject to ordinary income taxes and, if taken prior to age 59½, to a 10% federal additional tax.

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



Annuities are designed to **help provide income** in retirement.

## Protection

**Allianz MasterDex 5 Plus<sup>SM</sup> protects your principal and bonus from index declines.**

Your principal and bonus are never subject to market index risk. A downturn in the market index(es) cannot reduce your contract values. We guarantee it.

**Allianz MasterDex 5 Plus locks in any annual indexed interest automatically.**

Once any indexed interest, fixed interest, or bonus is credited to your annuity's values, it can never be lost due to market index changes.

## Accumulation

**Allianz MasterDex 5 Plus lets you benefit when the market index is heading up.**

When the market is headed up, the value of your Allianz MasterDex 5 Plus can also increase. Your interest is subject, however, to a cap or spread.

**Allianz MasterDex 5 Plus offers you choices.**

The Allianz MasterDex 5 Plus gives you several choices for calculating the potential indexed interest for your contract: monthly sum, monthly average, or annual point-to-point.

## Flexibility

**If you need cash, Allianz MasterDex 5 Plus gives you access.**

After the contract anniversary following your most recent premium payment, you may annually withdraw up to 10% of your total premiums paid – without a surrender charge.

**After 10 years it's your choice: stay, or take the money.**

Anytime after your 10<sup>th</sup> contract year, you can leave your money in the annuity so it continues to benefit from potential indexed/fixed interest and tax deferral. You also have the option to take your annuity's full accumulation value (minus any loans or withdrawals).

Experience the combination  
of **variety and flexibility.**



# Allianz MasterDex 5 Plus tracks market index changes, then puts it all together. Here's how.

With Allianz MasterDex 5 Plus<sup>SM</sup>, the accumulation potential of your annuity can be based on the fluctuations of several of America's most recognized market indexes.

## Allianz MasterDex 5 Plus Annuity basics

Allianz MasterDex 5 Plus is a fixed index annuity that offers a choice of fixed interest and/or indexed interest options. Indexed interest is based on changes in these indexes:

- S&P 500®
- Nasdaq-100®
- FTSE 100
- A blended index that credits interest based on the performance of the Barclays Capital U.S. Aggregate Bond Index (35%), Dow Jones Industrial Average (35%), FTSE 100 Index (20%), and Russell 2000® Index (10%)

Allianz MasterDex 5 Plus offers a premium bonus.

The bonus and any interest it has earned will be applied only to your accumulation value. So, to receive the bonus, you will need to hold your contract for at least 10 years, after which time your entire accumulation value is available as a lump sum or you can hold your contract for at least five years and take an annuity payout for a minimum of 10 years.

You can add money at any time during the first five contract years and receive a bonus on it. Additional premium payments made during a contract year, and any bonus, are credited to your contract's interim interest account and earn fixed interest until the following contract anniversary, when the value in the interim interest allocation is transferred to your selected allocations.

Although external indexes may affect your contract values, the contract does not directly participate in any stock or other investments. You are not buying bonds, shares of stocks, or shares of an index. The indexes do not include the dividends paid on the stocks underlying a stock index or interest. Stock dividends are not reflected in the interest we credit to your contract.

## A choice of crediting methods

Crediting methods determine how much interest your annuity earns, based on the changes in an external index. Allianz MasterDex 5 Plus gives you a choice of three crediting methods.

This is a general discussion of how crediting methods work.

### Monthly sum crediting

For this crediting method, on the last business day before your contract anniversary each month (as well as the business day before your contract is issued), we'll compare the index value to the prior month's value. We'll divide this monthly change by the prior month's value to get the monthly percent of change.

Positive monthly changes are subject to a monthly cap, or maximum; however, negative changes are not limited by the cap. We can raise or lower the cap each year, but it will never be less than 0.50%. At the end of the contract year, we'll add up these monthly increases and decreases to calculate your indexed interest rate. If the sum is negative, you'll receive zero indexed interest for that year.

### Annual point-to-point crediting

For this crediting method, we will compare the index value on the last business day before your contract anniversary (as well as the last business day before your contract is issued) to the index value on the last business day at the end of the contract year. We'll then divide this change by the index value at the beginning of the contract year to get the percent of change. Next we apply your contract's annual cap, or maximum. We may raise or lower the cap annually, but it will never be less than 1.00%. If the positive percent of change exceeds your annuity's annual cap, the indexed interest rate will be the annual cap percentage. If the percent of change is negative, the indexed interest rate for that year will be zero – but your contract's value will be protected.

Which crediting method **MAKES SENSE FOR YOUR GOALS?** Talk to your financial professional.

You can change  
ALLOCATIONS  
**EACH  
YEAR.**

## Monthly average crediting

For this crediting method, we'll capture the index value on the last business day before your contract's monthly anniversary (monthiversary), including the last business day before your contract is issued. At the end of your contract year, we'll add those index values together and then divide them by 12 to determine the average. We'll then subtract the starting index value from the average and divide it by the starting index value to determine the percentage of change. There is no cap on the amount of indexed interest growth possible with this crediting method. However, there is an annual spread that is deducted from the percent change. We may raise or lower the spread annually, but it will never be greater than 12%. If the result is positive, your contract will be credited with indexed interest. If the result is negative, the indexed interest rate for that year will be zero – but your contract's value will be protected.

## Participation rate

For each of these three crediting methods, your contract has a 100% participation rate. What this means is that we use the entire percentage of index change when we calculate the indexed interest rate. Please keep in mind that your indexed interest rate generally will not equal 100% of any increase in the index, since a cap or spread may limit the amount of indexed interest you receive.

## You can also earn fixed interest.

Traditional fixed interest is calculated and credited daily for both the fixed interest allocation and the interim interest allocation. Interest rates are declared annually by Allianz. We can raise or lower interest rates annually, but they will never be less than 0.50%.

## Choose from a variety of allocation options for flexibility.

When you purchase your Allianz MasterDex 5 Plus<sup>SM</sup>, you can base your annuity's potential interest on one or more available allocation options. Ask your financial professional for current allocation option availability.

You can allocate premium in increments of 1% or more. Now THAT'S flexibility!

## Change your mind? No problem.

Shortly after your contract anniversary each year, we'll notify you that you can change your allocations and crediting method. If we receive your change in writing within 21 days after your contract anniversary, it will go into effect during that contract year. But if we receive your crediting method change more than 21 days after your contract anniversary, it won't take effect until the following contract year.

On every contract anniversary, any additional premium submitted during the previous contract year will be transferred from the interim interest allocation and allocated based upon your most current allocation choices.

## There are no up front sales charges.

100% of your premium and bonus is credited to your accumulation value on the day it is received. However, surrender charges apply during the first 10 contract years. Surrender charges may result in the loss of all or part of your bonus, any indexed interest or fixed interest you have earned, and a partial loss of principal.

## Choose from a variety of options to receive steady, predictable income.

### Several annuity payment options are available to you.

If you keep your contract for at least five years, you can choose to receive annuity payments, which are the payments we make back to you over a period of time, based on your accumulation value in any of the following ways:

**Interest only** – You have the option to receive interest-only annuity payments for five years. Interest will be paid as earned based on the amount of your accumulation value. After five years of interest-only payments, you can take your full accumulation value as a lump-sum payment.

**Installments for a guaranteed period** – You can choose to receive annuity payments in equal installments for a period from 10 to 30 years. Each installment would consist of part principal and part interest.

**Installments for life** – You have the option to receive annuity payments in equal installments for the rest of your life. Payments end upon your death.

### **Installments for life with a guaranteed period** –

You can choose to receive annuity payments in equal installments for the rest of your life. Upon your death, annuity payments will be paid to your beneficiary for the balance of the guaranteed period, the same way as you previously selected.

**Installments for a selected amount** – You may receive annuity payments in equal installments of an amount that you choose, as long as the payments last for at least 10 years. Payments continue until your accumulation value is gone.

**Joint and survivor** – You can have equal installments paid until your death, then continue to be paid to your survivor. In this case, you can select 100%,  $\frac{2}{3}$ , or  $\frac{1}{2}$  of your payment amount to be paid to your survivor until his/her death.

The payout rate used to determine the annuity payments depends on the age of your contract, the age of the annuitant, and the payout option selected. The interest rate in payout is guaranteed to be at least 1%.

## Allianz MasterDex 5 Plus offers you a death benefit.

The Allianz MasterDex 5 Plus<sup>SM</sup> Annuity provides a death benefit payable to your named beneficiary. Regardless of whether your beneficiary(ies) select to receive the death benefit as a lump-sum payment, or as annuity income payments, they will receive the greater of the contract's accumulation value or guaranteed minimum value. This applies only to contracts that have not yet been annuitized. The death benefit, paid to a properly designated beneficiary (other than the estate), will pass without the costs and delays of probate.

A **death benefit** can be paid to your beneficiary without probate.



# Allianz MasterDex 5 Plus gives you several ways to access your money.

## Take free withdrawals.

In each contract year that you haven't made a premium payment, you can take up to 10% of your contract's paid premium in one or more free withdrawals with no surrender charge applied.

Each contract year, you can  
**TAKE OUT UP TO 10%**  
of your paid premiums as free withdrawals.

If, within the same contract year of a free withdrawal, the contract is surrendered or additional premium is added, we will retroactively apply a surrender charge to any withdrawals taken that contract year. This could result in a loss of bonus, indexed interest and fixed interest, and a partial loss of principal. Withdrawals will decrease the value of the contract and its death benefit.

A free withdrawal is eligible to receive indexed interest at the end of the contract year. The amount of indexed interest is based on the applicable indexed interest rate and the length of time during that contract year that the free withdrawal amount remained in the allocation.

## Take a contract loan.

A contract loan may be taken for up to 50% of the cash surrender value (maximum of \$50,000). The loan interest rate is 7.4% annually in advance. Loans are not available with IRA, SEP, or some other qualified plans.

Unpaid loans will be treated as partial surrenders, subject to surrender charges, and will decrease the value of the contract and its death benefit.

## Take required minimum distributions.

Required minimum distributions from a tax-qualified plan (IRA, SEP, etc.) will qualify as free withdrawals if taken annually in December or monthly throughout the year. Contract values and the amount available for other free withdrawals throughout the contract year will be reduced by the amount of the distribution(s).

## Note: The money you take out may be taxable.

Your contract values grow tax-deferred. However, any distributions from your contract, including free withdrawals, partial withdrawals, loans, and required minimum distributions, may be taxable as ordinary income. Because annuities are meant to be used for long-term purposes, if you are under age 59½ when a distribution is taken, it may be subject to a 10% federal additional tax.

Purchasing an annuity within a retirement plan that provides tax deferral under sections of the Internal Revenue Code results in no additional tax benefit. An annuity should be used to fund a qualified plan based upon the annuity's features other than tax deferral. All annuity features, risks, limitations, and costs should be considered prior to purchasing an annuity within a tax-qualified retirement plan.

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## Is the Allianz **MasterDex 5 Plus** Annuity a good choice for your retirement strategy?

The Allianz MasterDex 5 Plus Annuity provides accumulation potential to help you reach your retirement goals. Besides helping add a level of certainty to your financial future, it can contribute to the lasting legacy you pass on to your loved ones.

The Allianz **MasterDex 5 Plus** Annuity offers a combination of insurance guarantees and benefits. It may be right for you if:

- You want a long-term vehicle offering potential tax-deferred interest on your retirement assets.
- You want the opportunity for indexed interest based on changes in recognized market indexes.
- You want to protect your principal, bonus, locked-in indexed interest, and fixed interest if the market declines.
- You want flexible annuity payment options.
- You want a death benefit for your beneficiaries before annuity payments begin.
- You would appreciate receiving a bonus to help you accumulate money for retirement.

Consider making Allianz **MasterDex 5 Plus<sup>SM</sup>** a part of your **retirement strategy.**

Financial professional name \_\_\_\_\_

License number \_\_\_\_\_

Email \_\_\_\_\_

- 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.®

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 a network of trusted financial professionals, and with over 2.2 million contracts issued, Allianz helps millions of people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz is 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.

Product and feature availability may vary by state and broker/dealer.

[www.allianzlife.com](http://www.allianzlife.com)

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