Allianz Life Insurance Company of North America

ALLIANZ ANNUITIES

Understanding the rider charge change criteria

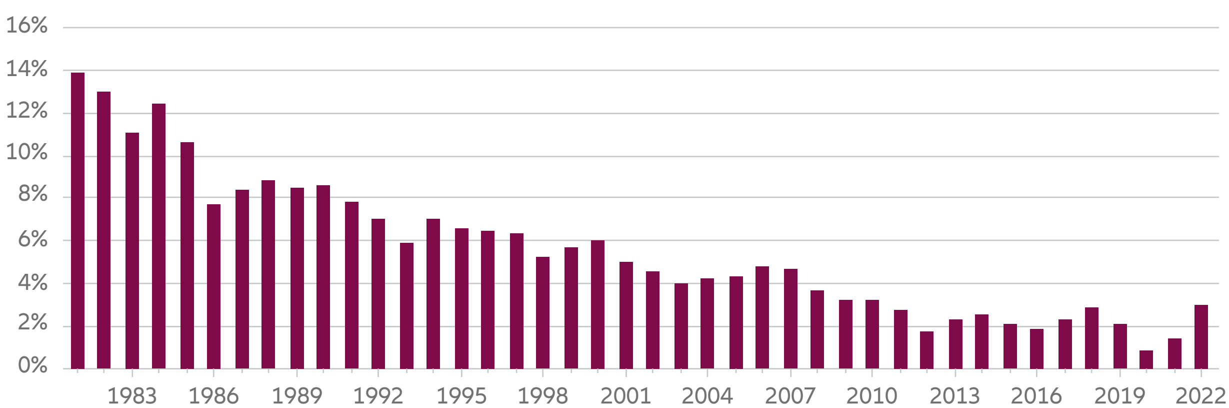
Allianz is committed to offering you sustainable fixed index annuity benefits and guarantees in any economic environment. This is why – in extremely challenging economic conditions – we may change our rider charges on inforce business to maintain (and potentially improve) product benefits and guarantees.

Making a change to a rider charge after contract issue is not taken lightly and is not completely at our discretion. We monitor three specific criteria, published annually by Standard and Poor's and the Federal Reserve, and, after the initial guarantee period, will only consider making a change if one of them is met. We also maintain the discretion to not make a change if one of these criteria is met. If one of the criteria is met, the charge may be increased in one of the following two calendar years but never above the maximum charge stated in your contract.

Below we define the three specific criteria we monitor and charts that display their historical values. We chose these criteria because they are related to the performance of the assets we use to provide the guaranteed portions of our fixed index annuities. It's important to note that none of the limits we have established for these criteria have ever been met historically.

1 **The annual average 10-year U.S. Treasury rate for the calendar year is less than 0.50%**

Average annual 10-year U.S. Treasury

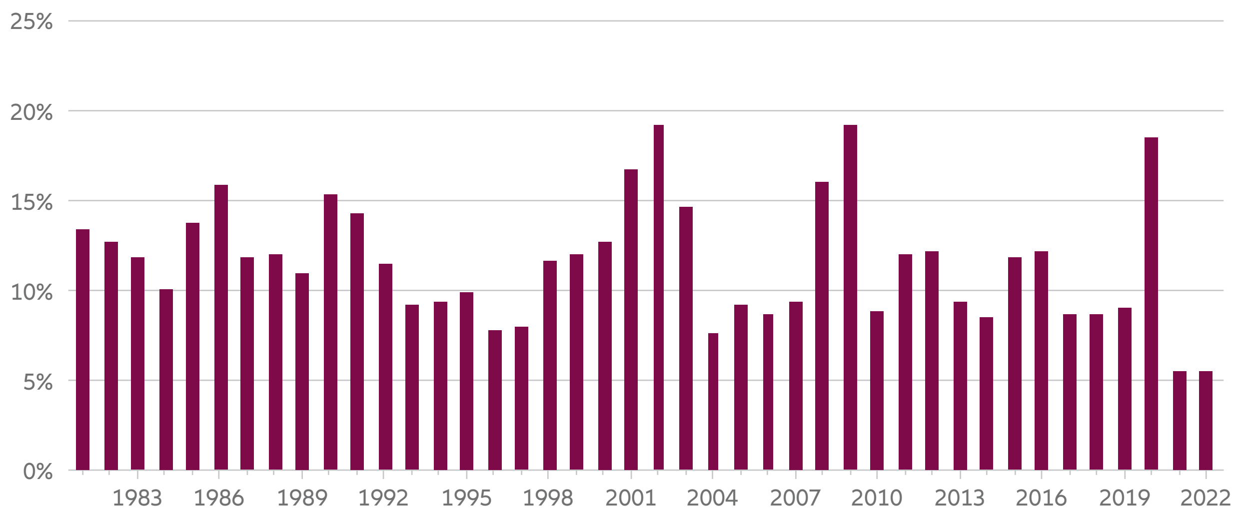


The all-time **historical low** for the average calendar-year 10-year U.S. Treasury rate is **0.89%**.

2

Corporate bond downgrades for the calendar year are greater than 25%

Corporate bond downgrades

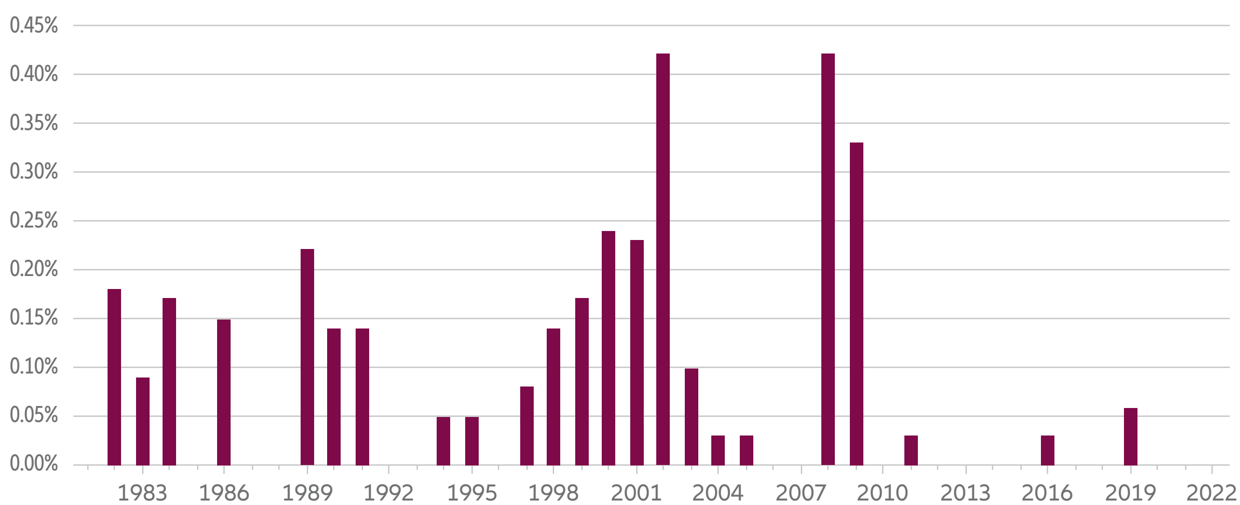


The **historical high** for calendar-year corporate bond downgrades is **19.13%**.

3

Investment-grade corporate bond defaults for the calendar year are greater than 0.5%

Investment-grade corporate bond defaults



The **historical high** for calendar-year investment-grade corporate bond defaults is **0.42%**.

For your convenience, we will publish the annual criteria results on our website as soon as they become available after the end of the calendar year at www.allianzlife.com/chargecriteria

Can you give me more information about these criteria?

Annual average 10-YEAR U.S. Treasury rate for the calendar year is less than 0.50%.

What is it?
The 10-year Treasury bond rate is used as a benchmark to gauge the long-term U.S. interest rate environment.

Why did you choose this as a criterion?
The yield that the investments in our general account return typically moves with the 10-year Treasure rate. If the 10-year Treasury rate is low, the yield we're able to earn is also likely to be low. This in turn impacts the level of benefits we can support.

Corporate bond downgrades for the calendar year exceed 25%.

What is it?
A corporate bond is a debt security issued by a corporation and then sold to investors. A corporate bond is downgraded when its credit rating is lowered by one of the credit rating agencies. If a corporate bond is downgraded, it reflects an increased likelihood that the bond issuer will not be able to meet the obligations of the bond.

Why did you choose this as a criterion?
We chose this criterion because a significant amount of our general account assets are invested in corporate bonds. A bond's value usually decreases if it is downgraded, and there is an increased likelihood the bond issuer will default. High levels of corporate bond downgrades could impact the performance of our investments and therefore the sustainable level of benefits that we are able to offer.

Investment-grade bond defaults for the calendar year exceed 0.50%.

What is it?
An investment-grade bond is a debt security that has a credit rating of BBB- or higher from Standard and Poor's. Investment-grade bonds are considered to have a relatively low risk of default. The default percentage is measured as the number of investment-grade bond issuers that default compared to the number of investment-grade bond issuers at the beginning of the year. A bond defaults if its issuer fails to make an interest or principal payment it promised to bondholders.

Why did you choose this as a criterion?
We chose this criterion because a significant amount of our general account assets are invested in investment-grade bonds. If investment-grade bond defaults are high, it could impact the performance of our investments and therefore the sustainable level of benefits we are able to offer.

Sustainability in any economic environment.

No one can predict future economic environments. As a leader in the fixed index annuity industry, we think it's important to offer you FIA benefits that are sustainable in any economic environment. Having the flexibility to make adjustments during extreme economic environments allows us to continue to offer sustainable product benefits to you.

Fixed index annuities (FIAs) are designed to help you meet your long-term retirement needs by offering principal protection from market downturns, tax deferral, and a death benefit for your beneficiaries. And because they're long-term financial vehicles, it's important to work with an insurer that is committed to honoring its guarantees.

To see current levels for the most recent calendar year, go to www.allianzlife.com/chargecriteria

ASK YOUR FINANCIAL PROFESSIONAL for more information and whether an annuity may be a good fit for you.

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 a key part of a leading global financial organization. **True to our passion** for making wise investment decisions. **True to building a culture** where everyone feels welcomed, included, and valued. 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 3.7 million contracts issued, Allianz helps 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 are proud of our financial strength, we are made of much more than our balance sheet. By being true to our commitments and keeping our promises, we believe we make a real difference for our clients. It's why so many people rely on Allianz today and count on us for tomorrow – when they need us most.

Products are issued by:

Allianz Life Insurance Company of North America

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www.allianzlife.com | 800.950.1962

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

Must be used with an appropriate fixed index annuity consumer brochure.

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

ICC17C64237-MVA, ICC16C54370-MVA, C54370-MVA, R95316-01-MVA, R95374-MVA, R95352-MVA, C64237-MVA, R95581-MVA