

Fixed index annuities



Understanding the allocation charge

A fixed index annuity (FIA) can be a valuable addition to your overall retirement strategy. FIAs provide principal protection from market downturns, tax deferral, and a death benefit for your beneficiaries. FIAs also offer a range of features and benefits that may help you achieve your retirement goals. Here we explain one of those features – the allocation charge.

WHAT IS THE ALLOCATION CHARGE?

Allianz is committed to offering you sustainable benefits in any economic environment. The allocation charge allows us to better manage investment risk in extremely challenging economic environments – and pass that **value** on to you by maintaining and potentially improving our products' benefits and guarantees.

The allocation charge applies to certain index allocations within your Allianz fixed index annuity. The annual charge is a percentage of your accumulation value and can range from a minimum of 0% up to the maximum stated in your contract. Assuming it is greater than 0%, the charge is deducted from your accumulation value and guaranteed minimum value (in most states) at the end of each contract year. **The allocation charge does not impact your protected income value.**

The allocation charge can change after the initial guarantee period. However, we are transparent about when we can change it. We also maintain the discretion to not make a change if one of these criteria is met. As you will see on the next page, we can only change the allocation charge when one of three specific criteria are met – and you can view those criteria on our website at any time.

We also offer you **flexibility**. If you prefer an allocation option without an allocation charge, we provide several choices that are not subject to the charge.



WHAT CRITERIA DETERMINE WHETHER THE ANNUAL ALLOCATION CHARGE WILL CHANGE?

Making a change to the allocation charge is not taken lightly and is not completely at our discretion. We monitor three specific, defined criteria, published annually by the Federal Reserve and Standard and Poor's, and will only consider making a change if one of the following criteria is met.

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've established for these criteria have ever been met.**

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

The annual average 10-year U.S. Treasury rate

CRITERIA THRESHOLD: Less than 0.50%
ALL-TIME HISTORIC LOW: 0.89%

Calendar-year corporate bond downgrades

CRITERIA THRESHOLD: Greater than 25%
ALL-TIME HISTORIC HIGH: 19.13%

Calendar-year investment-grade corporate bond defaults

CRITERIA THRESHOLD: Greater than 0.50%
ALL-TIME HISTORIC HIGH: 0.42%

WHAT CONTRACT VALUES ARE IMPACTED BY THE ALLOCATION CHARGE?

Assuming it is greater than 0%, the allocation charge would be deducted annually from the portion of your contract's accumulation value and guaranteed minimum value (in most states) allocated to the indexed allocation.

ARE ALL ALLOCATION OPTIONS SUBJECT TO AN ALLOCATION CHARGE?

No. We offer several allocation options with no allocation charge. Allocations using the Monthly Sum crediting method and the fixed interest allocation do not have an annual allocation charge. And remember, Allianz fixed index annuities offer you the flexibility to reallocate at the end of each index crediting period – so you're never locked in to any one allocation for any longer than the current crediting period.

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, good or bad. The allocation charge provides us the flexibility to address the potential for extreme economic environments in the future and continue to offer you sustainable product benefits.



Ask your financial professional for more information, and whether an annuity may be a good fit for you.

Products are issued by Allianz Life Insurance Company of North America, PO Box 59060, Minneapolis, MN 55459-0060.

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

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

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

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C54370-MVA, R95352-MVA, C64237-MVA, R95581-MVA