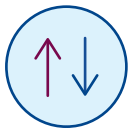


FIXED INDEX ANNUITIES

FIA or shorter-term MYGA? A case for Allianz Accumulation Advantage® Annuity

Interest rates and economic uncertainty may make shorter withdrawal charge schedule annuities sound appealing, but it is important to weigh the potential downsides. Allianz Accumulation Advantage® Annuity can offer more flexibility, more control, and long-term accumulation potential.



The upsides – and downsides – of MYGAs

Rising interest rates and market uncertainty have created demand for shorter withdrawal charge schedule annuities such as some MYGAs. These particular MYGAs have become popular with consumers because they offer a fixed interest rate for a guaranteed period of time, such as three or five years. After the guaranteed period ends, the interest rate is determined on a contract year-by-year basis, based on the interest rate environment at that time.

Depending on your clients' goals, these particular MYGAs can be a good strategy – especially if they only need that short time horizon to reposition the money.

For longer time horizons, these shorter withdrawal charge schedule MYGAs do come with risks, however. That's because while short-term rates can be strong at times, not even the best economists can predict where the interest rate environment will be in three to five years.

The potential downside is that after the guaranteed period ends, the interest rate is determined on a contract year-by-year basis. This may leave your clients looking for another solution – but in a significantly lower interest rate environment, and with potential penalties.



One alternative: Allianz Accumulation Advantage®

Allianz Accumulation Advantage® gives your clients all the traditional benefits of a fixed index annuity (FIA), such as principal protection from market downturns, a death benefit for beneficiaries, and the opportunity for tax-deferred growth. Plus, it offers another important advantage:

More flexibility with several index allocation options

Allianz Accumulation Advantage® offers a fixed interest allocation with an interest rate that is guaranteed for one contract year. But unlike MYGAs, Allianz Accumulation Advantage® also gives your clients a variety of allocation options they can choose from, which offer the potential to earn indexed interest. This flexibility may help them benefit from current market conditions, with the option to reallocate and potentially get additional indexed interest potential if there are upswings in the market from allocation options such as the S&P 500 Index or Bloomberg US Dynamic Balance II ER Index.

The indexes available within an FIA contract are constructed to keep track of diverse segments of the U.S. or international markets, or specific market sectors. These indexes are benchmarks only. Indexes can have different constituents and weighting methodologies. Some indexes have multiple versions that can weight components or may track the impact of dividends differently. Although an index may affect your interest credited, you cannot buy, directly participate in, or receive dividend payments from any of them through the contract.

S&P 500 Index and Bloomberg US Dynamic Balance II ER Index are only two of several indexes offered on Allianz fixed index annuities.

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

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A HYPOTHETICAL CASE STUDY:

Meet Lupe. Lupe is 55 years old and is planning to retire in about 10 years. She has \$100,000 in cash – and with inflation on the rise, she wants accumulation potential with protection from market downturns. Let's explore two hypothetical approaches.

Option 1: multi-year guaranteed annuity (MYGA)

Lupe could purchase a shorter withdrawal charge schedule MYGA with a \$100,000 premium payment. Let's take the average¹ of 4.4% fixed interest rate for five years.

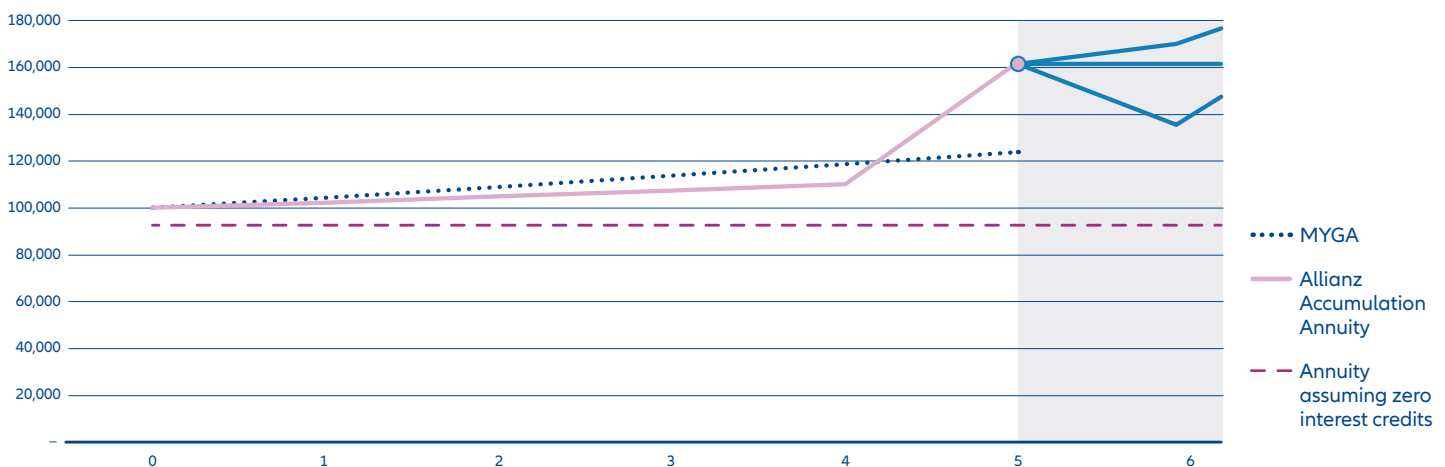
Option 2: Allianz Accumulation Advantage[®] Annuity

Instead, Lupe could purchase Allianz Accumulation Advantage[®]. Let's say she allocated half of her \$100,000 premium payment to a fixed rate of 4.75% and the other half to the Bloomberg US Dynamic Balance II ER Index. For her crediting method, she chooses 5-year MY point-to-point with a participation rate.

As the chart below shows, at the 5-year mark, Option 1 (MYGA) would generate \$124,023 with an annual rate of return of 4.4%. Option 2 (Allianz Accumulation Advantage[®]), would generate \$162,321 with an annual return of 4.75% on half its accumulation value, and an index credit based on an average compounded annual growth rate of 14.7%² for the other half of the annuity's accumulation value.

Apart from greater accumulation potential, Allianz Accumulation Advantage[®] would also give Lupe the option of continuing to reallocate based on current conditions, rather than having to accept the MYGA's set interest rate on a year-to-year basis.

Hypothetical accumulation potential



This hypothetical chart is provided to show the accumulation potential of a MYGA and Allianz Accumulation Annuity, based on credited interest. It does not predict or project the actual performance of an individual contract. Market conditions have been favorable over the past 10 years. It is likely that the index will not repeat historical performance. Values shown are not guaranteed (unless specified as guaranteed).

The contract's values will be reduced any fees or charges. This may result in a loss of principal and interest in any year in which the contract does not earn interest or earns interest in the amount less than the charge.

DISCOVER ALL THE BENEFITS OF ALLIANZ ACCUMULATION ADVANTAGE[®] at www.allianzlife.com/AAA and view current rates www.allianzlife.com/rates. Or call your Allianz representative to learn more.

¹ 4.4% is based on the five top-selling 5-year MYGAs with an A+ rating (Source: Annuity Rate Watch)

² The "average" is the 50th percentile cumulative index return and credit for this period (50% of the returns/credits were higher and 50% were lower).

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

Any distributions are subject to ordinary income tax and, if taken before 59½, a 10% federal additional tax may apply.

• 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