



MasterDex 10™ Annuity

A flexible-premium, equity index annuity offering a 10% premium bonus

Safety. Growth. Control.
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MasterDex 10 Annuity from Allianz Life®.

It's that simple.



Presenting the MasterDex 10™ Annuity from Allianz Life®.

MasterDex 10 can be a powerful tool to help you reach your financial goals. With MasterDex 10:

- **You earn a 10% bonus** on premium received for five years.
- **Your premium and bonus are guaranteed** safe from market index risk.¹
- **Participate in market index returns each month of the year**, subject to a cap.
- **Index gains are locked in** once a year, eliminating market index risk due to losses.
- **You can access 10% of your premium** per year (up to 50% total), free.

¹ If the policy is annuitized prior to the sixth year, if annuity payments are taken for less than 10 years, or if the policy is surrendered for cash at any time, then the bonus will be forfeited, the index adjustments will be lost, a 12.5% charge will be applied and a rate of interest no less than 1.5% will be credited from the inception of the policy.

Index adjustments are made to your annuitization value at the end of each year. Positive index adjustments may be limited by a monthly maximum. After the first year, current interest may fluctuate but will never fall below 2% for the Interim Interest Account and the interest allocation while in deferral. Past performance does not guarantee future results. To receive the annuitization value, the policy must be held in deferral for a minimum of five years and annuity payments must be taken over a minimum of 10 years. The minimum guaranteed interest rate in payout is 1%. The payout rate depends on age of policy and payout option selected. MasterDex 10 Annuity issued by Allianz Life Insurance Company of North America (P50640 and state variations if applicable).

Safety. Growth. Control. MasterDex 10 Annuity

Safety

MasterDex 10 protects your premium and bonus.

You purchase your annuity with an initial premium of \$2,000 qualified/\$5,000 nonqualified or more. Your premium and bonus are never subject to market index risk. A downturn in the index(es) cannot have a negative impact on your policy values. We guarantee it.

MasterDex 10 locks in any annual index gains automatically.

Once annual index gains are credited to your annuity's values, they can never be lost due to market volatility.

Growth

MasterDex 10 gives you an immediate gain with a 10% premium bonus.

You receive the bonus on your initial premium and any additional premium you submit for the first five years.

MasterDex 10 has a real difference. This sums it up.

The MasterDex 10 tracks point-to-point monthly changes (subject to a cap) in the market index(es). Once a year, those twelve months' values are automatically added up and credited if positive. The sum helps determine the current value of your annuity.

MasterDex 10 can deliver 100% of market index growth.

When the market is headed up, the value of your MasterDex 10 can increase right along with it. That's because at the end of each year, you get full 100% participation in potential monthly gains subject, however, to an established maximum, or cap. For more on how gains are captured and credited, see the charts later in this brochure.

Control

Need cash? MasterDex 10 really lets you have it!

Beginning 12 months after your last premium is received, you may annually withdraw up to 10% of the total premiums paid – without a penalty – until 50% of your total premium has been withdrawn.

You can choose an income stream that delivers your annuity's full value.

After five policy years, you can receive the full value of your MasterDex 10 Annuity by choosing an income stream lasting 10 years or longer. This is called annuitization. You can also take your money in a single lump sum. Keep in mind, however, that if you do so you will only receive the policy's surrender value and you will forfeit any bonus or index credits. Learn more on accessing your money later in this brochure.

MasterDex 10 lets you diversify within a single annuity.

You can allocate premium to two major market indexes. Or you can designate a fixed interest allocation for your money. And if you wish, you can pick and choose among these three alternatives in 25% increments.

MasterDex 10 puts you ahead right from the start, then tracks the market index.

What is the MasterDex 10 Annuity?

The MasterDex 10 Annuity is a flexible-premium, point-to-point equity index annuity that offers a 10% premium bonus, retirement features, and a choice of fixed interest and/or index earnings tied to changes in the S&P 500 and Nasdaq-100 Indexes. The MasterDex 10 Annuity is an insurance product, not an S&P 500 and/or Nasdaq-100 indexed mutual fund or other equity investment.

Are there any up-front fees (or future sales charges)?

There are never any asset fees or sales charges. 110% of your premium is credited to your annuitization value.

Can I open a MasterDex 10 Annuity and then add a little money later?

You can get all the benefits offered by the MasterDex 10 Annuity with an initial premium amount of \$2,000 qualified/\$5,000 nonqualified or more. You can add money at any time during the first five policy years and receive a 10% bonus on it. Additional premium payments made during a policy year are credited to your policy's Interim Interest Account until the following policy anniversary.

Is my annuity's growth taxable?

Your policy values grow tax-deferred, and no income taxes are payable until you withdraw from your policy. If you are under the age of 59½ when a withdrawal is made, the IRS may impose an additional 10% penalty tax.

MasterDex 10 gives you an immediate 10% bonus on an initial premium amount of \$2,000 qualified/\$5,000 nonqualified or more. After that, the value of your annuity reflects the monthly point-to-point fluctuations of two of America's most recognized stock indexes: the S&P 500 and the Nasdaq-100®.

Once each month, we capture the current value of the index. We compare that value to the index value from the previous month, and record the difference between the two as the monthly return. Monthly returns may be positive or negative.

In any given month, a positive monthly return may exceed your annuity's stated monthly cap percentage. In that case, the capped return will be used in the annual index credit calculation.

Safety.
Growth.
Control.



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Beginning premium: \$100,000 Bonus: 10% Assumed cap percentage: 2.80%		
Month	Hypothetical monthly index return	Capped monthly return
1	5.27	+2.80
2	-2.00	-2.00
3	2.00	+2.00
4	-1.50	-1.50
5	4.61	+2.80
6	2.50	+2.50
7	3.87	+2.80
8	0.25	+0.25
9	-3.00	-3.00
10	-4.00	-4.00
11	4.43	+2.80
12	2.25	+2.25
Value at end of policy year: \$118,470		+7.70% (The sum of capped monthly returns equals the year's index credit.)

Here's an illustration showing 12 months of hypothetical market index returns based on a 2.80% cap. The monthly cap is established on every anniversary, and it is guaranteed for the next policy year. Returns impacted by the cap are shown in **bold** type. Although you can allocate premium to either index (or both), for simplicity's sake our example will presume all of the annuity's premium has been allocated to a single index.

To find the annual index credit, simply add up the 12 capped monthly returns.

It's a good friend in bad times, too.

How does MasterDex 10 perform when the going gets tough? Simply stated, the market may drop, but the value of your MasterDex 10 won't.

There is no established limit on negative returns in any individual month. However, you have a safety net. So, in the example above, if the sum of the next year's capped monthly returns yields a negative total, the annual index credit will be zero. You will still retain every dime of the annuity's \$118,470 value.

Put all your eggs in one basket. Or two. Or three.

When you purchase your MasterDex 10, you can link your annuity's growth exclusively to the S&P 500 or the Nasdaq-100®. You can also allocate your entire premium to a fixed interest option.

If you wish, however, you can divide your allocation (in 25% increments) among all three options. Now THAT'S control!

Change your mind? No problem!

Shortly after your policy anniversary each year, we'll notify you that you can change your allocations. Changes to your allocations must be submitted in writing. If we receive your changes within 21 days of your policy anniversary, they will be effective during the coming policy year. Allocation changes received more than 21 days after your policy anniversary won't take effect until your next policy anniversary.



No matter what the market index does – MasterDex 10 gives you:

- Upside index growth potential.
- No market risk due to index losses.
- All your money (including gains and bonus) available for payouts after five years!

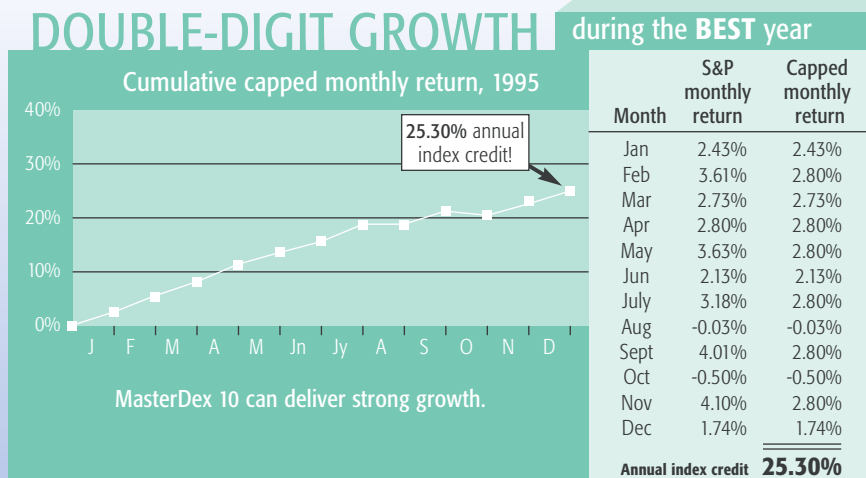
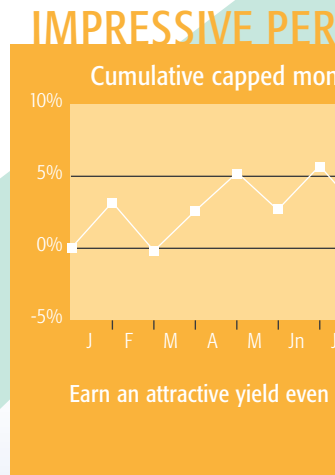
The chart to the right turns back the clock to show the performance MasterDex 10 Annuity might have delivered from 1995 through 2004 if the policy had been offered. Although the 10 years shown reflect a range of extreme values, the chart represents a balanced look at how the product could have performed during that time period. Keep in mind past performance does not guarantee future results.

The values shown are based on the following assumptions:

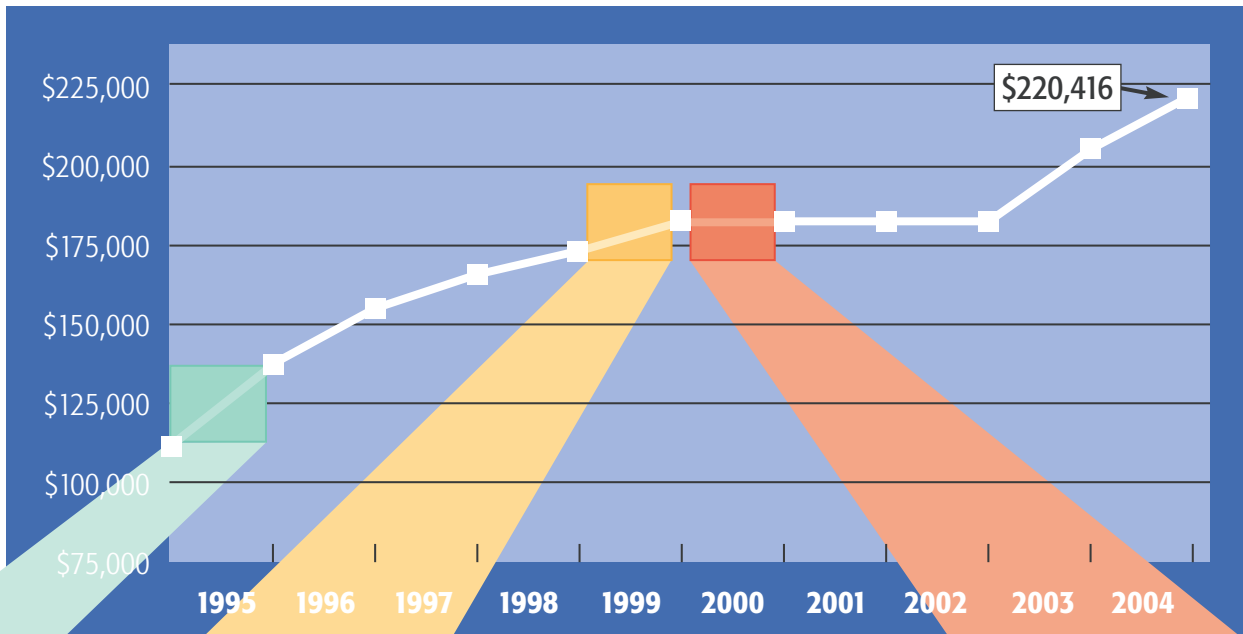
- \$100,000 initial premium and 10% bonus
- 100% participation rate guaranteed for the life of the contract
- 2.80% monthly cap for each year
- The product was available since 1995
- The policy is held for at least 10 years with no withdrawals taken

Under these assumptions, had the MasterDex 10 existed, it would have provided indexed growth, locked-in gains, and **an average yield of 8.22% each year** over the 10-year period shown.

In these three magnified scenarios, we take a closer look at the MasterDex 10 Annuity during three very different years. Note the way month-by-month changes in the index have an impact on the annuity’s annual index credit. Here’s what you would have received with MasterDex 10 under the above assumption.



MasterDex 10 Performance: 1995-2004



PERFORMANCE

Cumulative monthly return, 1999

6.29% annual index credit

Monthly return, 1999

in an "average" year.

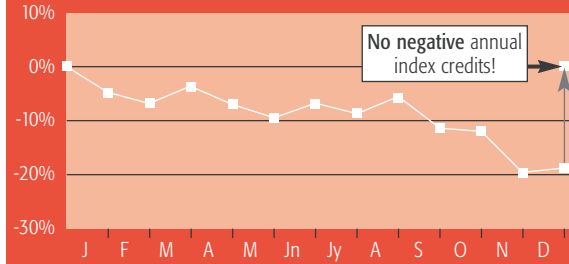
during an **AVERAGE** year

Month	S&P monthly return	Capped monthly return
Jan	4.10%	2.80%
Feb	-3.23%	-3.23%
Mar	3.88%	2.80%
Apr	3.79%	2.80%
May	-2.50%	-2.50%
Jun	5.44%	2.80%
July	-3.20%	-3.20%
Aug	-0.63%	-0.63%
Sept	-2.86%	-2.86%
Oct	6.25%	2.80%
Nov	1.91%	1.91%
Dec	5.78%	2.80%

Annual index credit **6.29%**

PRINCIPAL PROTECTION during a **NEGATIVE** year

Cumulative capped monthly return, 2000

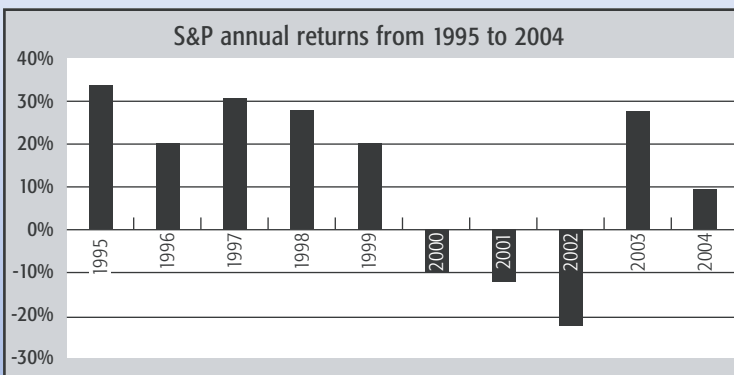


No downside market index risk. Yearly gains are locked in.

Month	S&P monthly return	Capped monthly return
Jan	-5.09%	-5.09%
Feb	-2.01%	-2.01%
Mar	9.67%	2.80%
Apr	-3.08%	-3.08%
May	-2.19%	-2.19%
Jun	2.39%	2.39%
July	-1.63%	-1.63%
Aug	6.07%	2.80%
Sept	-5.35%	-5.35%
Oct	-0.49%	-0.49%
Nov	-8.01%	-8.01%
Dec	0.41%	0.41%

Annual index credit **0.00%**

With MasterDex 10, you would have received smooth, steady growth from 1995 to 2004, not the S&P Index's wild ride.



This chart gives you a glimpse of how the S&P 500 Index rose and fell over a recent decade. As you can see:

- 1995-1999 provided a great opportunity to grow wealth.
- 2000-2002 saw the market index tumble.
- 2003-2004 brought a rebound, but not enough to offset recent losses.

MasterDex 10 gives you the freedom to access your money in several ways.

Down the road, how can I get the full value of my annuity?

After five policy years, you can receive the full value of your MasterDex 10 Annuity by choosing an income stream lasting 10 years or longer. This is called annuitization.

What if I surrender the policy?

It's possible you may wish to surrender your MasterDex 10 for cash. If so, the amount you receive will be reduced. You will receive the greater of your policy's cash surrender value or its guaranteed minimum value, which is defined in your Statement of Understanding.

Take penalty-free withdrawals.

You may take one penalty-free withdrawal of up to 10% of premiums every 12 months as long as:

- It occurs 12 months after the last premium is received.
- No more than one partial surrender is taken within a 12 month period.
- Cumulative withdrawals do not exceed 50% of the sum of the premium received.

If, within 12 months of a penalty-free withdrawal, the policy is annuitized, another withdrawal is taken, or additional premium is added, the penalty-free withdrawal will be treated retroactively as a partial surrender with penalty.

Schedule Systematic Withdrawal of Credits.

Systematic Withdrawal of Credits allows you to keep your policy in deferral and receive payment of annuitization value credits. You can select to receive payments after your fifth policy year. Payments will be based on credits applied to your policy after the request is received. To qualify for this option, your policy must be held at least five policy years and still be in deferral.

Take a policy loan.

A policy 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 a partial surrender.

Take required minimum distributions.

Required minimum distributions from a tax-qualified plan (IRA, SEP, etc.) will qualify as a penalty-free withdrawal if taken annually in December or monthly throughout the year. Policy values and the amount available for free withdrawal will be reduced by the distribution amount withdrawn.

Take interest-only payouts.

After five years, you may select an interest-only payout for 10 consecutive years. No index adjustments are credited during the interest-only period. No withdrawals may be taken during the interest-only period. At the end of the interest-only period, the annuitization value may be taken in a lump sum.

Take a distribution for less than 10 years or a single lump sum.

You may take a distribution for a period of less than 10 years at any time, but the distribution will be based on the policy's cash surrender value, which excludes any bonus or index credits.

The cash surrender value of your policy equals 87.5% of all premiums paid, minus partial surrenders and Systematic Withdrawal of Credit payments, accumulated at an annual rate of no less than 1.5% and credited daily.



Receive index growth while you take annuity income payments.

The Systematic Withdrawal Benefit¹ allows you to receive a percentage of your annuity as income while your remaining balance continues to participate in the index(es).

After your fifth policy anniversary, you can choose to receive withdrawals from your policy's annuitization value.

You have the flexibility to stop receiving Systematic Withdrawal Benefit payments. Once suspended, your payments can be started again after two years have passed. If you restart your Systematic Withdrawal Benefit payments, the percentage of policy values available will be based on the policy year in effect when your payments are restarted.

POLICY YEAR	PERCENTAGE OF ANNUITIZATION VALUE AVAILABLE ²
6-8	Up to 5% per year
9-10	Up to 6.67% per year
11+	Up to 10% per year

While you are receiving Systematic Withdrawal Benefit payments, any interest or index credits will also be paid to you.

¹ Not available in all states

² Until you have accessed all your money and your policy value equals \$0.

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

What if I die while my policy is still in force?

The MasterDex 10 Annuity provides a death benefit payable to your named beneficiary. The annuity payments will be based on the policy's annuitization value if taken over a minimum of five years. If taken either as a lump sum or over a period of less than five years, the death benefit will equal the greater of the cash surrender value, or the sum of premiums paid less any withdrawals. The death benefits paid to a properly designated beneficiary (except for the estate) will pass without the costs and delays of probate.

I don't want my annuity proceeds to be a tax burden for my beneficiary.

What can I do?

The Death Benefit Rider¹ enables the beneficiary to receive a tax-free death benefit up to 28% of taxable gain. It allows you to pass on more of your annuity's value to your beneficiaries and reduces a possible tax obstacle for them. Although the rate at which your beneficiaries will pay income tax at some future date is unknown, the Death Benefit Rider can offset a substantial portion – or all – of the income taxes due at the time of your death. Please note: A Death Benefit Rider charge will apply; benefit only applies to nonqualified contracts where owner/annuitant are the same.



Receive guaranteed income for the life of the annuitant.

Anytime after five policy years, you can receive an income stream guaranteed to continue as long as the annuitant is alive, or select a distribution of the annuitization value over a period as short as 10 years.

Access your money sooner to help pay for nursing home care.¹

If you, as the policyowner, should enter a nursing home, long-term care facility, or hospital for at least 30 days out of a 35 consecutive day period after the first policy year, you may take an accelerated distribution of your policy's annuitization value over a period as short as five years. Payments under the Nursing Home Benefit will be based on your policy's annuitization value.

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¹ Not available in all states

Is the MasterDex 10™ Annuity the right choice for your retirement plans?

The MasterDex 10 Annuity offers a combination of benefits you may not find in another financial product. It merits your careful consideration if:

- **You would appreciate** receiving an up-front bonus to help regain market losses or recoup surrender charges (or if you just plain enjoy getting a bonus!)
- **You want to avoid losing** any of your principal and bonus if the market index declines.
- **You wish to share** in potential gains in the S&P 500 Index or Nasdaq-100®.
- **You want your money to benefit** from tax-deferred growth.
- **You anticipate leaving your money** in the annuity long enough to receive its full value in an income stream rather than a lump sum.
- **You want flexible** income options.
- **You want a death benefit** for your heirs.



The MasterDex 10 Annuity is a powerful financial tool from Allianz Life®. It can deliver strong performance no matter which way the market is heading.

Make it part of your retirement portfolio.

from Allianz Life. It's that simple.

Our top priority is the safety of your money

All policies are issued by Allianz Life Insurance Company of North America, a member of the Allianz Group. With over 700 subsidiaries in more than 70 countries, the Allianz Group is one of the world's leading providers of integrated financial services.

Our goal is to provide policyholders with wealth management products that can help meet today's needs and financial objectives, with a product philosophy of offering fair and equitable values on each policy we issue. Foremost in our minds is the safety of the money you entrust to our care.

Allianz Life® has consistently been assigned financial strength ratings by Standard & Poor's and A.M. Best that are among the highest available. It is one of a select group of major insurance companies to receive such high ratings.

These independent agency ratings are based on an analysis of financial results and evaluation of management objectives and strategies. The ratings do not indicate approval by the analysts and are subject to change.

Innovative products, exceptional customer service, and sound financial strength make Allianz Life the place to turn to help meet your retirement objectives.

Policies are issued by Allianz Life Insurance Company of North America (form P50640 and state variations if applicable).

Agent name _____

License number _____

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