

MasterDex X/Simple Income II Rider changes, and the Endurance Plus launch

Allianz Life Insurance Company of North America



MasterDex X changes

1. What changes are being made to the MasterDex XSM Annuity?

Effective April 7, 2009:

- The minimum premium will increase from \$10,000 to \$20,000.
- The premium bonus will change from 10% to 8%.
- Minimum guarantees on the fixed interest allocation and monthly sum crediting methods will be 0.50%. Minimum guarantees on annual point-to-point caps will be 1% and the maximum annual spread for monthly averaging will be 12%.
- Within the monthly average crediting method, the S&P 500, Nasdaq 100®, and Dow Jones EURO STOXX 50 allocation options will be suspended. The blended index will still be available.

2. What changes are being made to the Simple Income II Rider?¹

Effective April 7, 2009:

- The simple bonus will change from 10% to 8%.
- Adjustments will be made to the payment percentages on the income bands as follows:

Payout option 1: Single payout

Age	50-59	60-69	70-79	80-90
Payment %	4.50%	5.00%	5.50%	6.00%

Payout option 2: Single payout

Age	50-59	60-69	70-79	80-90
Payment %	3.50%	4.00%	4.50%	5.00%

Payout option 1: Joint payout – based on younger age

Age	50-59	60-69	70-79	80-90
Payment %	4.00%	4.50%	5.00%	5.50%

Payout option 2: Joint payout – based on younger age

Age	50-59	60-69	70-79	80-90
Payment %	3.00%	3.50%	4.00%	4.50%

3. What are the business rules surrounding the MasterDex X/Simple Income II Rider changes?

If your pending business and/or application was RECEIVED on or before Monday, April 6, 2009, it will be:	Applications RECEIVED on or after Tuesday, April 7, 2009, will be:
• Issued without changes to product/rider provisions.	• Issued with changes to product/rider provisions.

Statements of Understanding reflecting the new product/rider provisions will be available on April 3, 2009, and will have revision dates of R-4/2009. Business issued on or after April 7, 2009, but submitted with SOUs dated prior to R-4/2009, will require the R-4/2009 version of the SOU(s) to be signed on delivery. This will not delay commissions.

Endurance Plus launch

The Endurance Plus Annuity launches on April 7, 2009.

1. What's new about the EnduranceSM Plus Annuity?

- The premium bonus on the Enhanced Withdrawal Benefit (EWB) value will increase from 15% to 20%.²
- The EWB value interest factor will be reduced from 110% to 100%.
- Within the monthly average crediting method, the S&P 500, Nasdaq 100, and FTSE 100 allocation options will be suspended. The blended index will still be available.
- Minimum guarantees on the fixed interest allocation and monthly sum crediting method caps will be 0.50%. Minimum guarantees on annual point-to-point caps will be 1% for all allocations except the blended index. Also, the maximum annual spread for monthly averaging will be 12%.

2. What are the business rules surrounding whether the Allianz Endurance 15[®] Annuity or Allianz Endurance Plus Annuity will be issued?

Pending business

Received on or before **Monday, April 6, 2009**, in states that **HAVE** approved the Endurance Plus Annuity:

- Endurance 15 contract will be issued as applied for by the agent.

OR

- If the client would prefer the Endurance Plus, upon request:
 - The Endurance Plus SOU will be required upon delivery
 - Allianz will create an amendment to the application changing the product from an Endurance 15 to an Endurance Plus. This will hold commissions.

Received on or before **Monday, April 6, 2009**, in states that **HAVE NOT** approved the Endurance Plus Annuity:

- Endurance 15 contract will be issued as applied for by the agent.

New business

Received on or after **Tuesday, April 7, 2009**, in states that **HAVE** approved the Endurance Plus Annuity will be issued as applied for until **Tuesday, April 21, 2009**.

Received on or before **Monday, April 20, 2009**:

- Contract issued as applied for by the agent (based on which SOU was submitted and which product was selected on the application).

Received on or after **Tuesday, April 21, 2009**:

- Contract will be issued as an Endurance Plus Annuity.
Note: Submitting a Statement of Understanding for Endurance 15 in states that have approved Endurance Plus on or after April 21 will require the Endurance Plus SOU to be signed on delivery. This will not hold commissions unless Endurance 15 is also selected in the product section of the annuity application. Should this occur, Allianz will create an amendment to the application changing the product from an Endurance 15 to an Endurance Plus.

Received on or after **Tuesday, April 7, 2009**, in states that **HAVE NOT** approved the Endurance Plus Annuity:

- Endurance 15 contract issued as applied for by the agent.
Note: Submitting a Statement of Understanding for Endurance Plus in states that have not approved it will require the Endurance 15 SOU to be signed on delivery. This will not hold commissions unless Endurance Plus is also selected in the product section of the annuity application. Should this occur, Allianz will create an amendment to the application changing the product from an Endurance Plus to an Endurance 15.

Issued business within free look period

After **Tuesday, April 7, 2009**, in states that **HAVE** approved the Endurance Plus Annuity:

- Endurance 15 contract owners will have the option to convert to the Endurance Plus Annuity by completing a form provided by the Home Office and an Endurance Plus SOU. These conversions will generate a new contract effective date for the base contract and may result in new index starting values and interest rates/caps.

3. When will materials for the revised MasterDex X Annuity, revised Simple Income II Rider, and Endurance Plus Annuity be available?

Marketing materials, updated application packets (as reprinted), and Statements of Understanding will be available through our Supply Department on April 3, 2009, and on www.allianzlife.com on April 7, 2009.

¹ The Simple Income II Rider is an optional rider available for an additional cost of 0.60% of the simple withdrawal value annually.

² The bonus is credited only to the Enhanced Withdrawal Benefit (EWB) value. The EWB value is not available if the contract is surrendered or annuitized. To receive the EWB value, including the bonus, the contract must be held for at least 10 years, and then EWB payments must be taken over at least an additional 10 years under one of two EWB income options. EWB payments are considered partial withdrawals and are subject to ordinary income tax. Because this is a bonus annuity, it may include higher surrender charges, longer surrender periods, lower caps, or other restrictions that are not included in similar annuities that don't offer a premium bonus

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