



MasterDex 10™ Annuity

Picture what's possible

An equity-indexed annuity with "point-to-point" monthly crediting and a premium bonus

Allianz Life Insurance Company of North America





Discover the MasterDex 10™ Annuity
from Allianz

An equity-indexed, fixed annuity from Allianz can be a valuable asset.

A prudent wealth management plan shouldn't rely solely on future Social Security to pay for an individual's retirement years. One way to accumulate additional assets for retirement income is an annuity.

The money in an annuity has the potential to create an additional source of retirement income that can supplement Social Security. Assets placed in an annuity can even provide a variety of income streams. This is one reason many individuals use annuities to help them achieve their long-term financial goals, including retirement income.

Here's how an annuity works.

An annuity is a contract between a contract owner and a life insurance company. The annuity's value is backed by the financial strength and claims-paying ability of the issuing insurance company.

As contract owner, you pay premium to the insurance company. In exchange for your premium, the insurance company promises to make payments to you at some

point in the future. You may also receive the benefits listed on the following page.

You should not buy an annuity for short-term purposes. You generally have to keep your premium in the annuity for a specified period of time to avoid the assessment of penalties, such as surrender charges.



Annuities offer important benefits.

Potential growth during the annuity's accumulation phase: During this initial phase, an annuity can be an ideal vehicle to help you accumulate money for your retirement.

Income for life and other options during the retirement income phase: When you are ready to start taking income, the annuity offers you a range of payout options. Some options may offer an immediate, single payment. Others may include income payments scheduled over a specific period of time, including your entire lifetime.

Tax deferral that can help your money grow: The money in your annuity can grow tax-deferred. This means you don't have to pay taxes on your annuity's growth until you begin to withdraw money from the annuity. The power of tax deferral, compounded over the life of your annuity's accumulation phase, may have a positive impact on the value your annuity generates for your retirement. Any distribution may be subject to ordinary income taxes and, if taken prior to age 59½, to a 10% federal tax penalty.

Death benefit protection for your beneficiaries: As we noted earlier, annuities are life insurance products. So it's only natural that they can give you peace of mind, knowing your beneficiaries are protected if you pass away.

Equity-indexed annuities are different.

An equity-indexed annuity earns interest based on changes in an external equity index. This is different from traditional annuities, which credit interest calculated at a fixed rate set in the contract. The selected index varies from day to day and is not predictable. When you buy an equity-indexed annuity you own an insurance contract – you are not buying shares of any stock or index.

Many equity-indexed annuities also permit contract owners to allocate premium to a traditional fixed interest option, where interest is credited at a fixed rate of interest not based on any external equity index. The value of an equity-indexed annuity will not drop below a guaranteed minimum specified in the contract. This means that if you take money out of the contract or die, you (or your beneficiaries) are guaranteed to receive at least a minimum value.

To summarize, an equity-indexed annuity offers contract owners:

- The potential for growth by basing interest earned on the performance of an equity index or indexes (Interest earned on an equity-indexed annuity could be less than the interest earned in a traditional fixed annuity.)
- A guaranteed minimum value

Discover the MasterDex 10 Annuity from Allianz.

MasterDex 10 can offer you safety while it helps you reach your financial goals. With MasterDex 10:

- You earn a 10% bonus on premium received for five years.¹
- Each year, you may receive indexed interest based on monthly changes of a market index, subject to a monthly cap.
- Any indexed interest is locked in once a year, eliminating risk due to market index losses.²
- Your premium and bonus are protected from index losses.²

¹ Bonus annuities may include annuitization requirements, lower caps, or other restrictions that are not included in similar annuities that don't offer a premium bonus feature.

² To receive the annuitization value, the contract must be held in deferral for a minimum of five years and annuity payments must be taken over a minimum of 10 years. If this requirement is not met, you will receive your contract's cash surrender value. Receiving the cash surrender value will result in a loss of bonus, indexed interest, fixed interest, and a partial loss of principal. Any amounts withdrawn may be subject to ordinary income taxes and, if taken prior to age 59½, to a 10% IRS penalty. These taxes and penalties may additionally reduce the amount you receive.



Safety

MasterDex 10 locks in any annual indexed interest automatically.²

If indexed interest is credited to your annuity's values, it can never be lost due to market index volatility.

MasterDex 10 protects your principal and 10% bonus from index losses.²

Your principal and bonus are never subject to market index risk. A downturn in the market index(es) cannot have a negative impact on your contract values. We guarantee it.

Growth

MasterDex 10 lets you benefit when the market index is heading up.

When the market is headed up, the value of your MasterDex 10 can also increase. 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 monthly cap.

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

The MasterDex 10 tracks point-to-point monthly changes (subject to a monthly cap) in the market index(es). Once a year, those 12 months' values are automatically added up and credited if positive. The sum helps determine the current value of your annuity.

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Control

If you need cash, MasterDex 10 gives you access.²

Beginning 12 months after your last premium is received, you may annually withdraw up to 10% of your total premiums paid – without a surrender charge or market value adjustment – until 50% of your total premium has been withdrawn.

You can choose an income stream that delivers your annuity's full value.²

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

Safety Growth Control

MasterDex 10 tracks market index changes, then puts it all together. Here's how.

With MasterDex 10, the value of your annuity is based on the monthly point-to-point fluctuations of two of America's most recognized stock indexes: the S&P 500 and the Nasdaq-100.®

MasterDex 10 Annuity basics

The MasterDex 10 Annuity is a point-to-point equity-indexed annuity that offers a 10% premium bonus, retirement income and a choice of fixed interest and/or indexed interest based on changes in the S&P 500 and Nasdaq-100 indexes.

You can get all the benefits offered by the MasterDex 10 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 contract years and receive a bonus on it. Additional premium payments made during a contract year, and any bonus, are credited to your contract's interim interest account until the following contract anniversary, at which time you can decide how they should be allocated.

Interest crediting calculations

We capture the current value of the market index on the date you purchased your contract, as well as on each contract's "monthiversary." So if your contract is dated the seventh of the month your monthiversary will be the seventh day of every succeeding month throughout the life of the contract.

Monthly returns are calculated in two steps. First, the change from the previous month's index value to the current month's index value is divided by the previous month's index value. This amount is then multiplied by the participation rate.

In any given month, a positive monthly return may exceed your annuity's stated monthly cap. In that case, the monthly capped return will be used in the indexed interest calculation. We can raise or lower the monthly cap annually but it will never be less than 1%.

At the end of each contract year, the monthly capped returns are added together to calculate your indexed interest for that year. If this sum is negative, the indexed interest for that year will be zero.

Although there is a monthly cap on positive monthly returns, there is no established limit on negative monthly returns. This means that a large decrease in one month could negate several monthly increases. Actual indexed interest may be lower (or zero) if the market index declines from one monthiversary to the next, even if the market index experienced an overall gain for the year.

Although an external index may affect your contract values, the contract does not directly participate in any stock or equity investments. You are not buying any shares of stock or shares of an index. The market index value does not include the dividends paid on the stocks underlying the market index. These dividends are also not reflected in the interest credited to your contract.

Here's a hypothetical illustration showing indexed interest based on 12 months of hypothetical index returns and a 3.00% monthly cap. We establish this monthly cap on every anniversary, and guarantee it for that contract year. We can lower the monthly cap but it can never be less than 1.00%. Figures impacted by the monthly 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 indexed interest for the year, simply add up the 12 monthly capped returns.

Annuitization value at beginning of contract year: \$110,000		Bonus: 10%	Assumed monthly cap percentage: 3.00%
Month	Hypothetical monthly index return	Monthly cap applied	
1	5.27	+3.00	
2	-2.00	-2.00	
3	2.00	+2.00	
4	-1.50	-1.50	
5	4.61	+3.00	
6	2.50	+2.50	
7	3.87	+3.00	
8	0.25	+0.25	
9	-3.00	-3.00	
10	-4.00	-4.00	
11	4.43	+3.00	
12	2.25	+2.25	
Value at end of contract year: \$119,350		+8.50% (The sum of monthly capped returns equals the year's indexed interest.)	

No representation is made of future performance. As a MasterDex 10 contract owner, you do not invest directly in any index. We used a hypothetical 3.00% monthly cap. Using the minimum 1.00% monthly cap the indexed interest for the year would be 0%.

You can earn fixed interest.

Traditional fixed interest is calculated and credited daily for both the fixed interest allocation and the interim interest account. Interest credit rates are declared annually by Allianz. We can raise or lower interest credit rates annually, but they will never be less than 2%.

There are no up-front fees or future sales charges.

There are never any asset fees or up-front sales charges. 100% of your premium is credited to your annuitization value. However, if annuitization requirements are not met, you will only receive your contract's cash surrender value, instead of your full annuitization value.

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

When you purchase your MasterDex 10, you can base your annuity's potential growth exclusively on 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 allocate (in 25% increments) among all three options. Now THAT'S control!

Change your mind? No problem!

Shortly after your contract 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 contract anniversary, they will be effective during that contract year. Allocation changes received more than 21 days after your contract anniversary won't take effect until your next contract anniversary.

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

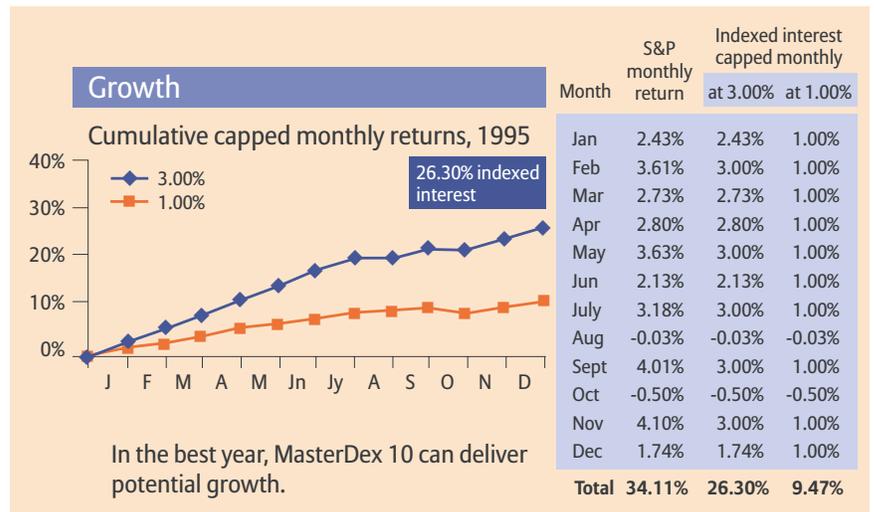
- Potential indexed interest based on a market index
- Protection from market index losses

The large chart to the right turns back the clock to show how the MasterDex 10 Annuity might have delivered from 1995 through 2004 if the policy had been offered.

The values shown are based on the following assumptions:

- \$100,000 initial premium and a 10% premium bonus
- 100% participation rate guaranteed for the life of the contract
- Hypothetical 3.00% monthly cap for each year
- Minimum guaranteed 1.00% monthly cap for each year
- Product available since 1995
- 100% allocation to the S&P 500

Under these assumptions, had the MasterDex 10 existed, it would have provided an average annual interest rate of 8.89% using the 3.00% monthly cap over the 10-year period shown. Using the minimum 1.00% monthly cap, the average annual interest rate would be 2.51%.



In the best year, MasterDex 10 can deliver potential growth.

In these three magnified scenarios (Growth, Principal protection, and Performance), we take a closer look at the MasterDex 10 Annuity during three very different years. Note the way month-by-month changes in the market index have an impact on indexed interest.

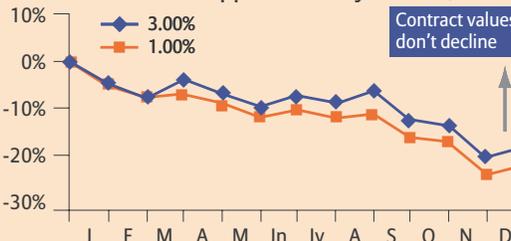
Hypothetical example based on S&P 500 performance from: 1995-2004

Values in this chart are based on S&P 500 performance (without dividends) during the most recent 10-year period. All values are year-end values. Past performance is no guarantee of future results. No representation is made of future performance. You are not buying shares of any stock or index .



Principal protection

Cumulative capped monthly returns, 2000



In a negative year, MasterDex 10 locks in previous indexed interest.

Month	S&P monthly return	Indexed interest capped monthly	
		at 3.00%	at 1.00%
Jan	-5.09%	-5.09%	-5.09%
Feb	-2.01%	-2.01%	-2.01%
Mar	9.67%	3.00%	1.00%
Apr	-3.08%	-3.08%	-3.08%
May	-2.19%	-2.19%	-2.19%
Jun	2.39%	2.39%	1.00%
July	-1.63%	-1.63%	-1.63%
Aug	6.07%	2.60%	1.00%
Sept	-5.35%	-5.35%	-5.35%
Oct	-0.49%	-0.49%	-0.49%
Nov	-8.01%	-8.01%	-8.01%
Dec	0.41%	0.41%	0.41%
Total	-10.14%	0.00%	0.00%

Performance

Cumulative capped monthly returns, 2004



In an average year, MasterDex 10 can provide indexed interest.

Month	S&P monthly return	Indexed interest capped monthly	
		at 3.00%	at 1.00%
Jan	1.73%	1.73%	1.00%
Feb	1.22%	1.22%	1.00%
Mar	-1.64%	-1.64%	-1.64%
Apr	-1.68%	-1.68%	-1.68%
May	1.21%	1.21%	1.00%
Jun	1.80%	1.80%	1.00%
July	-3.43%	-3.43%	-3.43%
Aug	0.23%	0.23%	0.23%
Sept	0.94%	0.94%	0.94%
Oct	1.40%	1.40%	1.00%
Nov	3.86%	3.00%	1.00%
Dec	3.25%	3.00%	1.00%
Total	8.99%	7.78%	1.42%



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

Choose from several annuity payment options.

If you keep your contract in deferral for at least five years, you can choose to receive annuity payments in any of the following ways:

- Interest only – You have the option to receive interest-only annuity payments for 10 years. Interest will be paid as earned based on the amount of your annuitization value. After 10 years of interest only payments, you can take your full annuitization value as a lump-sum payment.
- Installments for a guaranteed period – You can choose to receive annuity payments in equal installments for a period from 10 to 30 years. Each installment would consist of part principal and part interest.
- Installments for life – You have the option to receive annuity payments in equal installments for the rest of your life. Payments end upon your death.
- Installments for life with a guaranteed period – You can choose to receive annuity payments in equal installments for the rest of your life. Upon your death, the balance of the guaranteed period, if any, will be paid to your beneficiary the same way as you previously selected.
- Installments for a selected amount – You may select to receive annuity payments in equal installments of an amount that you choose, as long as the payments last for at least 10 years. Payments continue until your annuitization value is gone.



- Joint and survivor – You can select to have equal installments paid until your death, then continue to be paid to your survivor. In this case, you can select 100%, 2/3, or 1/2 of your payment amount to be paid to your survivor until his/her death.

The payout rate used to determine the income stream depends on the age of your contract and the payout option selected. The guaranteed interest rate in payout is 1%.

MasterDex 10 offers you a death benefit.

The MasterDex 10 Annuity provides a death benefit payable to your named beneficiary. If taken as annuity payments over at least five years, the annuity payments will be based on your contract's full annuitization value. If taken as a lump sum, the death benefit will equal the greater of the sum of the premiums paid less any withdrawals or the cash surrender value (which equals 87.5% of all premiums paid, minus withdrawals accumulated at an annual rate of no less than 1.5% and credited daily). A lump sum will result in the loss of bonus, indexed interest, and fixed interest. The death benefit paid to a properly designated beneficiary (other than the estate) will pass without the costs and delays of probate.

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

If you, as the contract owner, 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 contract year, you may take an accelerated distribution of your contract's annuitization value over a period as short as five years.

If you don't want your annuity proceeds to be a tax burden for your beneficiary, here's a solution.

The Death Benefit Rider¹ enables your 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 federal income taxes due at the time of your death (state or local taxes may apply). Please note: A Death Benefit Rider charge will apply; benefit only applies to nonqualified contracts where owner/annuitant are the same.

¹ Not available in all states.

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

Take free withdrawals.

You can take one free withdrawal of up to 10% of premiums every 12 months – without a surrender charge or market value adjustment – as long as:

- It occurs 12 months after the last premium is received
- No more than one withdrawal is taken within a 12-month period
- Total free withdrawals do not exceed 50% of premiums received

If, within 12 months of a free withdrawal, the contract is surrendered or annuitized, another withdrawal is taken, or additional premium is added, the free withdrawal will be treated retroactively as a partial surrender with penalty. Withdrawals will decrease the annuitization value and the cash surrender value of the contract and its death benefit.

A free withdrawal is eligible to receive partial indexed interest at the end of the contract year. Partial indexed interest is based on the annual indexed interest and the amount of time during that year before the free withdrawal was taken.

Schedule Systematic Withdrawal of Credits.

Systematic Withdrawal of Credits allows you to keep your contract in deferral and receive payment of indexed interest. You can select to receive payments after your fifth contract year. Payments will be based on indexed interest applied to your contract after the request is received. You may take this Systematic Withdrawal of Credits without surrender charges and MVA, and your contract continues to benefit from potential indexed interest. To qualify for this option, your contract must be held at least five contract years and still be in deferral. Taking Systematic Withdrawal of Credits will lower the annuitization value and value of death benefits.

Take a contract loan.

A contract 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, which means it is subject to surrender charges and MVA.

Take required minimum distributions.

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



Receive potential indexed interest while you take 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 contract'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 contract values available will be based on the contract year in effect when your payments are restarted.

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

You may take a single lump sum or a distribution for a period of less than 10 years at any time, but the amount you receive will be your contract's cash surrender value, which means you lose any bonus or indexed interest. The cash surrender value of your contract equals 87.5% of all premiums paid, minus any withdrawals, accumulated at an annual rate of no less than 1.5% and credited daily.

DEFERRAL PERIOD	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 fixed interest or indexed interest will also be paid to you.

We've just given you five ways to avoid contract penalties.

If you take a partial surrender any other way, the amount of your partial surrender will be deducted from your contract's cash surrender value. A proportionally larger deduction will also be made from your contract's annuitization value, to reflect the percentage by which the annuitization value is larger than the cash surrender value. As a result, you will lose some of your initial principal and bonus, along with a portion of your indexed interest and fixed interest credits.

Note: the money you take out may be taxable.

Your contract values grow tax-deferred. However, any distributions from your contract, including free withdrawals, partial surrenders, loans, and required minimum distributions, may be taxable as ordinary income. If you are under age 59½ when a distribution is taken, the IRS may impose an additional 10% penalty tax.

¹ Not available in all states.

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

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

The MasterDex 10 Annuity offers a combination of insurance guarantees and benefits. It merits your careful consideration if:

- You would appreciate receiving an up-front bonus to help accumulate money for retirement.
- You wish to receive indexed interest based on potential gains in the S&P 500 or Nasdaq-100.®
- You want to protect your principal, bonus, fixed interest, and locked-in indexed interest if the market index declines.
- You want long-term tax-deferral of retirement assets.
- You want flexible income options.
- You want a death benefit for your heirs.

The MasterDex 10 Annuity: a powerful financial tool for principal protection along with potential growth.

Make it part of your retirement portfolio.

Our top priority is the safety of your money.

All contracts 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 contract owners 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 contract we issue. Foremost in our minds is the safety of the money you entrust to our care.

Allianz 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 the place to turn to help meet your retirement objectives.

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

Agent name _____

License number _____

Product availability and benefits may vary by state.

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(R-1/2006)