

Allianz Life of NY  
variable annuities

# It's not where the income starts – it's what happens next.

Our increasing income potential can help your income strategy stay strong.

Of clients who are receiving income, **68% received a payment increase.**<sup>1</sup>

Variable annuities can help you meet your long-term financial goals by providing investment growth potential, tax deferral, a death benefit for beneficiaries during the accumulation phase, and optional benefits that are either built-in or available for an additional charge.

Keep in mind that variable annuities are subject to investment risk, including possible loss of principal. Investment returns and principal value will fluctuate with market conditions so that units, upon distribution, may be worth more or less than the original cost.

In addition to the other benefits of a variable annuity, Allianz Life Insurance Company of New York (Allianz Life of NY) has always stressed the importance of guaranteed income for life as part of a strategy for retirement.

However, an income stream that remains the same year after year during retirement may not be sufficient if expenses rise. **That's why we've also emphasized the importance of a variable annuity that offers income with the opportunity to increase.**

We were the first to offer a variable annuity with an optional income benefit (available for an additional cost) that could increase income even if the contract value is below the benefit base (the foundation upon which retirement income will be based). There is no guarantee that your contract will receive an increase in any given year.

Among the variable annuities that can offer you lifetime income benefits, **very few also offer the opportunity for income increases** in any market. Variable annuities generally have two methods of calculating increases in income payments:

## ● Method 1: Industry standard benefit

In order to receive an increase in income, the contract value has to grow above the benefit base.

This method – *used by many companies* – often results in the client **not being able to reach the threshold for an income increase.**

## ● Method 2: Allianz Life of NY variable annuity benefit

In order to achieve an increase in income, the contract value on a benefit anniversary must simply grow above the previous benefit anniversary's contract value.<sup>2</sup>

This method – used by Allianz Life of NY – often results in the client **receiving more opportunities for income increases.**

**To see how well our increasing income potential worked, see the following pages.**

**Allianz  New York**

**This material must be used with the applicable variable annuity prospectus and consumer product brochure and, where applicable, rider brochure.**

<sup>1</sup> The total number of contracts used for this analysis was 1,710, and represents any increase of any amount in a given year.

<sup>2</sup> This method of providing income increases is available through optional riders for an additional cost. To be eligible for increasing income payments through withdrawals, you must meet all contract conditions, including taking the annual maximum payment during the prior year. Withdrawals using this method may or may not have a different starting payment from the industry standard method. Please review the individual contract to determine if there is a difference.

**For more complete information about Allianz Life of NY variable annuities and variable investment options, call your financial professional or Allianz Life Financial Services, LLC at 800.624.0197 for a prospectus. The prospectuses contain details on investment objectives, risks, fees, and expenses, as well as other information about the variable annuity and variable investment options, which you should carefully consider. Please read the prospectuses thoroughly before sending money.**

Product and features are available only in New York and may vary by broker/dealer.

CSI-434-NY (R-9/2020)

## INCREASING INCOME – BECAUSE THE COST OF RETIREMENT IS INCREASING

Clients have seen the potential value of our method and elected to begin taking a lifetime income payment with the opportunity to increase. Many of these clients have seen their income increase – and for some, increases have come year after year.

## HOW OUR INCREASING INCOME POTENTIAL HAS FARED – A HISTORICAL PERSPECTIVE

The chart below shows different benefit anniversaries and the percentage of contracts that received at least one income payment increase (either when the contract value increases from the prior benefit anniversary, or potentially when a person reaches a new age band, resulting in a higher payment percentage). The range of total accumulated income payment increases shows a representative range of the total percentage that income has increased while receiving lifetime income, when at least one increase was received. Also included is an example of how a hypothetical starting payment could have increased, using the total accumulated income payment increases.

Number of opportunities to increase	Percentage of contracts receiving at least one income increase	Range of total accumulated income increases	
1	22.76%	Low	0.99%
		Average	2.21%
		High	4.85%
2	45.90%	Low	1.67%
		Average	3.50%
		High	5.58%
3	77.98%	Low	1.71%
		Average	3.32%
		High	6.89%
4	77.50%	Low	1.71%
		Average	4.00%
		High	8.17%
5	87.34%	Low	1.74%
		Average	4.07%
		High	7.24%
6	86.67%	Low	2.81%
		Average	5.62%
		High	10.97%
7	97.10%	Low	2.84%
		Average	8.40%
		High	17.36%
8	96.61%	Low	4.74%
		Average	12.23%
		High	20.79%
9	100%	Low	8.22%
		Average	12.69%
		High	22.42%
10	98.70%	Low	15.16%
		Average	28.10%
		High	41.87%
11	98.51	Low	18.76%
		Average	27.47%
		High	37.62%

Hypothetical \$4,000 starting payment with total accumulated payment increases	
Income increases	Low to high increases
\$4,088	\$4,040 to \$4,194
\$4,140	\$4,067 to \$4,223
\$4,133	\$4,068 to \$4,276
\$4,160	\$4,069 to \$4,327
\$4,163	\$4,070 to \$4,290
\$4,225	\$4,112 to \$4,439
\$4,336	\$4,114 to \$4,694
\$4,489	\$4,190 to \$4,832
\$4,508	\$4,329 to \$4,897
\$5,124	\$4,607 to \$5,675
\$5,099	\$4,750 to \$5,505

### We are living longer:

Retirement could potentially last 25 or 30 years, or even longer.

### The cost of living will increase:

Everything you buy today could cost about twice as much in 25 years.

### Income increases are permanent:

With Allianz Life of NY, your lifetime income payments will continue for the rest of your life, as long as you follow the terms of your contract.

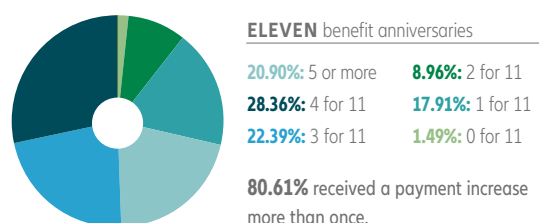
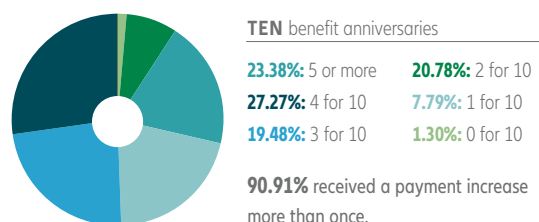
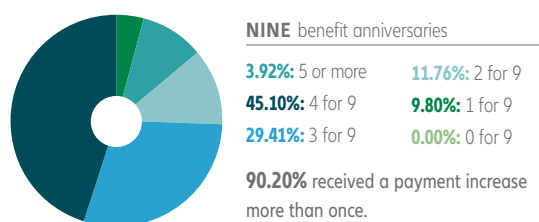
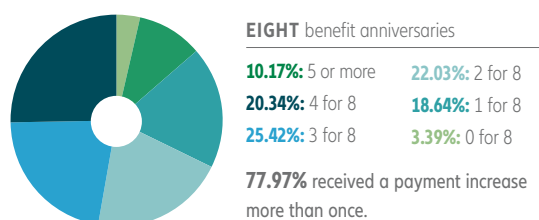
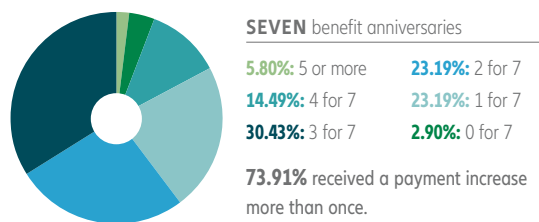
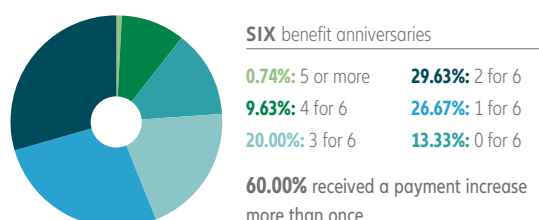
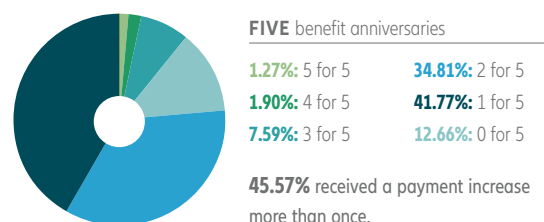
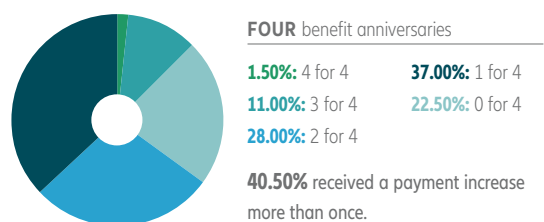
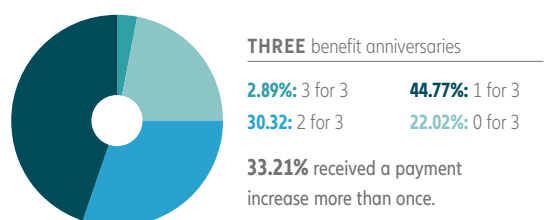
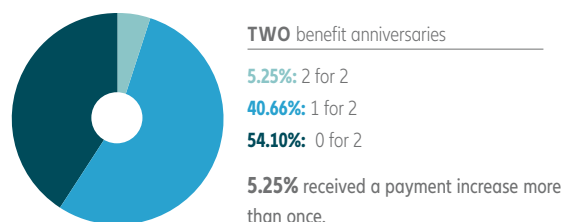
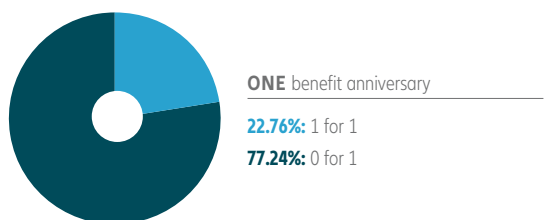
**And every time you get payment increase, that new higher payment is also guaranteed for the rest of your life.**

This chart displays the number of income payment increases of 1,710 Allianz Life of NY variable annuity contracts with income benefits using our increasing income method 2. Income payments were elected from 12/1/2007 through 12/31/2018, and would have been eligible to receive income payment increases from 12/1/2008 through 12/31/2019. Income increases are reflective of multiple products and income benefits that were available at that time. Individual contracts may have seen higher or lower income increases. Income increases are calculated and applied annually on the benefit anniversary, which is an anniversary of the date income payments began. The population of each benefit anniversary group differs. The “low” is the 25<sup>th</sup> percentile total accumulated income payment increases for the period (75% were higher and 25% were lower). The “average” is the 50<sup>th</sup> percentile total accumulated income payment increases for the period (50% were higher and 50% were lower). The “high” is the 75<sup>th</sup> percentile total accumulated income payment increases for the period (25% were higher and 75% were lower).

**NOTE: Past income payment increases are not a guarantee of future results.**

## INCOME INCREASES CAN HAPPEN MORE THAN ONCE.

The charts below show the number of income payment increases for each group of contracts.



Of clients who are receiving income, **68%** received a payment increase.

These charts display the number of income payment increases of 1,710, Allianz Life of NY variable annuity contracts with income benefits using our increasing income method. Income payments were elected from 12/1/2007 through 12/31/2018. Income increases are reflective of multiple products and income benefits that were available at that time. Individual contracts may have seen higher or lower income increases. Income increases are calculated and applied annually on the benefit anniversary. The population of each benefit anniversary group differs as follows:

ONE benefit anniversary: 312 contracts. TWO benefit anniversaries: 305 contracts. THREE benefit anniversaries: 277 contracts. FOUR benefit anniversaries: 200 contracts. FIVE benefit anniversaries: 158 contracts. SIX benefit anniversaries: 135 contracts. SEVEN benefit anniversaries: 69 contracts. EIGHT benefit anniversaries: 59 contracts. NINE benefit anniversaries: 51 contracts. TEN benefit anniversaries: 77 contracts. ELEVEN benefit anniversaries: 67 contracts.

**NOTE: Past income payment increases are not a guarantee of future results.**

## IT'S NOT ALWAYS ABOUT THE NUMBER OF INVESTMENT CHOICES, EITHER.

### Top money managers

At Allianz Life of NY, we understand you need guarantees, investment choices, and strategies that can help you create and maintain the retirement lifestyle you want.

We've assembled investment options from some of the industry's top managers to ensure you have a variety of choices available.

### Flexible choices

### Volatility strategies

Our variable annuities provide the guarantees that help build the foundation for retirement, but **it's the power of our investment option lineup that provides the increasing income potential.**

This lineup offers flexibility and growth opportunities, including investment options that focus on reducing volatility. Income benefits are subject to investment optionallocation rules and quarterly rebalancing.



**Having a lifetime income is important. But it's even better to have lifetime income that has the potential to increase. Talk to your financial professional about how you can keep your income strong – for the unknown retirement costs ahead.**

Withdrawals will reduce the contract value of any protection benefits. Withdrawals taken within the contract withdrawal charge schedule will be subject to a withdrawal charge. All withdrawals are subject to ordinary income tax and, if taken prior to 59½, may be subject to a 10% federal additional tax.

All annuity contract and rider guarantees, or annuity payout rates, are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of Allianz Life Insurance Company of New York (Allianz Life of NY). Guarantees do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

Products are issued by Allianz Life Insurance Company of New York, 1633 Broadway, 42<sup>nd</sup> Floor, New York, NY 10019-7585 and distributed by its affiliate, Allianz Life Financial Services, LLC, member FINRA, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297.

- 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

Product and features are available only in New York and may vary by broker/dealer.

L40529-NY01, L40530-NY01,  
L40534-01-NY01, L40535-01-NY01