

# The Index **GUARD** Strategy

Potential for higher performance with a level of protection from large index losses

The Index **GUARD** Strategy may be a good choice if you are looking for a level of protection from more severe index losses while maintaining the potential for higher performance.

**If the annual index return is positive**, you'll receive an annual performance credit equal to that return, up to a limit called the **cap**. If you take a partial withdrawal during an index year, the withdrawn amount will not receive a performance credit on the next anniversary.

**If the annual index return is negative**, you will receive a negative performance credit, but the negative performance credit will never be less than a specified percentage called the **floor**. This floor helps provide a level of protection by limiting any negative index return to no less than -10%. Negative index returns beyond the -10% floor will not reduce your contract value. Floors cannot change for a contract after they are established.

Caps are declared on the Index Effective Date, which is the first date your money has the opportunity to be allocated to an index option, and on each Index Anniversary thereafter. Caps are subject to significant change annually on the Index Anniversary, and will never be less than 3.00%. Caps can be different between newly issued contracts and inforce contracts, and they can be different between inforce contracts issued on different days and in different years. Caps and floors can also be different for each index. Deductions for the annual product fee, income benefit rider fee, withdrawal charge, contract maintenance charge and, if applicable, the Maximum Anniversary Value Death Benefit rider fee may result in a loss of principal or previously earned performance credits, and will not receive a performance credit on the next Index Anniversary.

The Index Guard Strategy provides upside potential to the cap, with a level of protection. The level of protection defends against larger index losses that fall below the floor. The floor limits any negative index return to no less than -10% in any given year. This is helpful for severe negative returns, but does not protect against smaller index losses.

## Available indexes

- S&P 500<sup>®</sup> Index
- Nasdaq-100<sup>®</sup> Index
- Russell 2000<sup>®</sup> Index
- EURO STOXX 50<sup>®</sup>
- iShares<sup>®</sup> MSCI Emerging Markets ETF

## Options to capture and lock in any gains

Under the Index Guard Strategy the Index Option Values are adjusted daily (the daily adjustment), depending on a variety of factors, including the length of time until the next Index Anniversary, volatility of index prices, interest rates, and market performance.

The performance lock can help minimize doubt about future index option performance. It gives you the flexibility to capture increases or limit losses, once each index year between Index Anniversaries, by locking the current Index Option Value on any of your selected Index Guard Strategy index options. You can request a performance lock at any time during the index year. Also, each index year, you have the option to set a target(s) above (and/or below) your current daily adjustment. If that target is met, it will automatically initiate a performance lock for the respective index option. You may redefine or remove your target(s) for any unlocked index option anytime throughout the index year before the index option is locked. A target(s) expires at the Index Anniversary – of course, you may set a new target(s) for the next index year.

**For additional information on the performance lock, please refer to your product prospectus.**

This insert is designed to provide you with an overview of the Index Guard Strategy available with Allianz Index Advantage Income Variable Annuity. Please refer to the product brochure for important information and index disclosure.

**This material must be preceded or accompanied by the client brochure (IAI-002) and a current prospectus for Allianz Index Advantage Income Variable Annuity.**

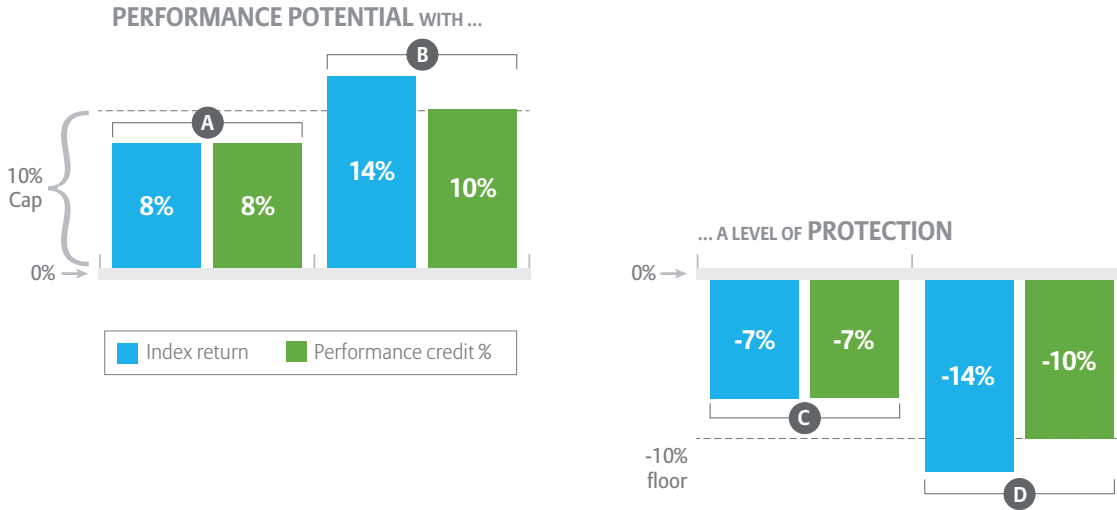
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For all that's ahead.<sup>®</sup>

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## A closer look at the Index GUARD Strategy



- A** If the annual index return is positive, but less than the declared cap, the annual performance credit would be equal to the index return.
- B** If the annual index return exceeds the declared cap, a performance credit equal to the cap would be applied.
- C** If the annual index return is negative, but is within the -10% floor, there would be a negative performance credit equal to the index return.
- D** If the annual index return is negative and below the -10% floor, the negative performance credit would be limited to the -10% floor.

**Each Index Anniversary, YOU'RE ABLE TO TRANSFER SOME OR ALL** of your contract value to one or more of the other index strategies available on the Allianz Index Advantage Income<sup>SM</sup> Variable Annuity.

Current caps may be higher or lower than what is represented in the examples.

For information on the caps currently offered, please consult your financial professional or **visit [www.allianzlife.com/indexincomerates](http://www.allianzlife.com/indexincomerates)**.

This hypothetical example shows conceptually how the Index Guard Strategy might work in different market index environments and assumes no change in the hypothetical cap. It does not predict or project the actual performance of the Allianz Index Advantage Income Variable Annuity with the Index Guard Strategy. We calculate annual index returns using the annual point-to-point method, which uses the index value at the end of the same day each year. Although an external market index or indexes will affect your Index Option Values, the Allianz Index Advantage Income Variable Annuity index options do not directly participate in any stock or equity investments, and are not a direct investment in an index. The external market index value does not include the dividends paid on the stocks underlying a stock index. An allocation to an index option is not a purchase of shares of any stock or index fund. This example also does not reflect the Allianz Index Advantage Income annual contract fees or charges.

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 North America (Allianz). Guarantees do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

• 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

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