

The Index PERFORMANCE Strategy

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

The Index **PERFORMANCE** Strategy may be a good choice if you are looking for a level of protection for your principal, while maintaining the potential for growth opportunities.

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 If you take a partial withdrawal during an index year, the withdrawn amount will not receive a performance credit on the next anniversary.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 may receive a negative performance credit – but only when the loss is greater than a specified percentage called the **buffer**. This helps provide a level of protection by absorbing the first 10% of negative index return in any given year. Losses in excess of 10% will reduce your contract value. Buffers 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 and inforce contracts issued on different days and in different years. Caps and buffers 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.

Available indexes

- S&P 500[®] Index
- Nasdaq-100[®] Index
- Russell 2000[®] Index
- EURO STOXX 50[®]
- iShares[®] MSCI Emerging Markets ETF

Options to capture and lock in any gains

Under the Index Performance 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 Performance 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 the product prospectus.

The Index Performance Strategy provides upside potential to the cap, with a level of protection. The level of protection defends against smaller losses up to the buffer. The buffer absorbs the first 10% of index losses in any given year. This is helpful for smaller losses, but does not fully protect against more significant index declines.

For all that's ahead.[®]

Allianz 

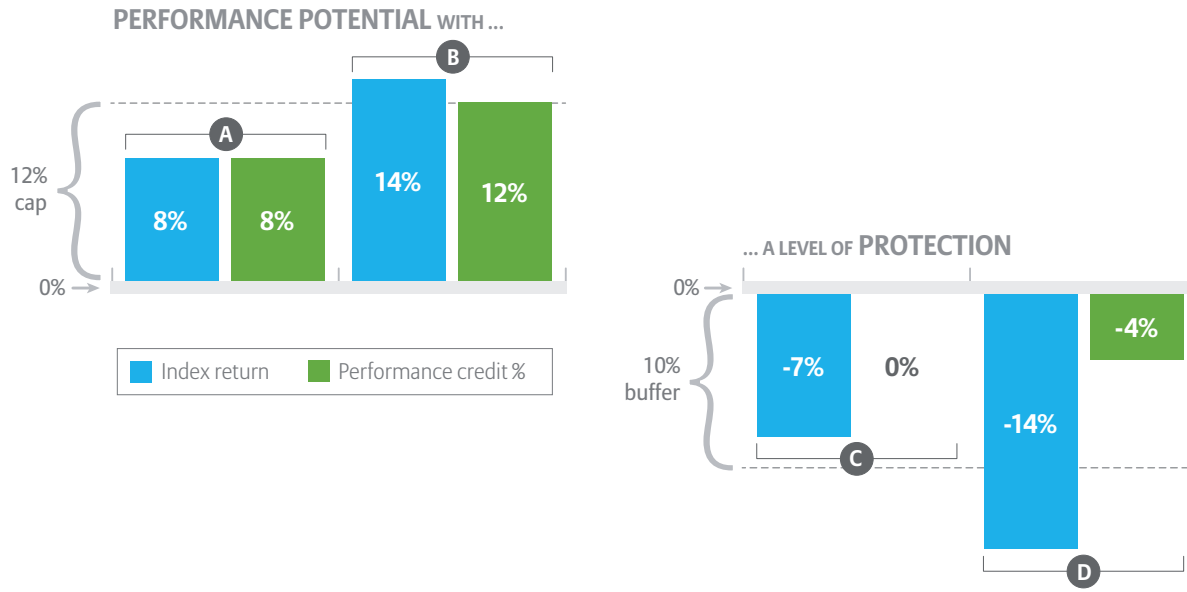
This insert is designed to provide you with an overview of the Index Performance strategy available with Allianz Index Advantage Income Variable Annuity. Please refer to the product brochure for important information and index disclosure.

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

Call your financial professional or Allianz Life Financial Services, LLC, member FINRA, at 800.624.0197 to obtain a prospectus about Allianz variable options. The prospectuses contain details on investment objectives, risks, fees, and expenses, as well as other information about the variable annuity and variable options, which you should carefully consider. Please read the prospectuses thoroughly before sending money.

This content is general information for educational purposes, and is not intended to constitute fiduciary advice. Please consult your financial professional for a specific recommendation about purchasing this product.

A closer look at the Index PERFORMANCE 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 within the 10% buffer, there would be no performance credit.
- D** If the annual index return is negative and exceeds the 10% buffer, there would be a negative performance credit equal to the amount of negative returns in excess of the buffer.

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

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 IncomeSM Variable Annuity.

For information on the caps currently offered, please consult your financial professional or **visit www.allianzlife.com/indexincomerates**.

This hypothetical example shows conceptually how the Index Performance 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 Performance 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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Product and feature availability may vary by state and broker/dealer.

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