

Allianz fixed index annuity

Auto Lock case study: Russell and the three possible outcomes



HYPOTHETICAL EXAMPLE

Russell, a hypothetical client, just purchased an Allianz fixed index annuity (FIA) with the help of his financial professional. Russell appreciates the features and benefits an FIA offers – including tax deferral as he accumulates for retirement, options for lifetime income, and a death benefit for beneficiaries. He also likes the opportunity to allocate to indexes without actually buying shares of them. **With his busy lifestyle, he doesn't have a lot of spare time to watch the movements of the market or market indexes. But, he also doesn't want to miss out on opportunities.**

Understanding this about his client, Russell's financial professional informs him about features available on his Allianz FIA called Index Lock and Auto Lock. Index Lock allows Russell to log into his contract online and lock in an index value at any point when he's comfortable with it – and keep that index value for the entire crediting period, no matter what. This can give him the reassurance of knowing he's locked in an index value and is no longer subject to market volatility in the period.¹

The Auto Lock feature allows Russell to set an upper and/or lower target for a desired index interest rate percentage. If at any time his chosen

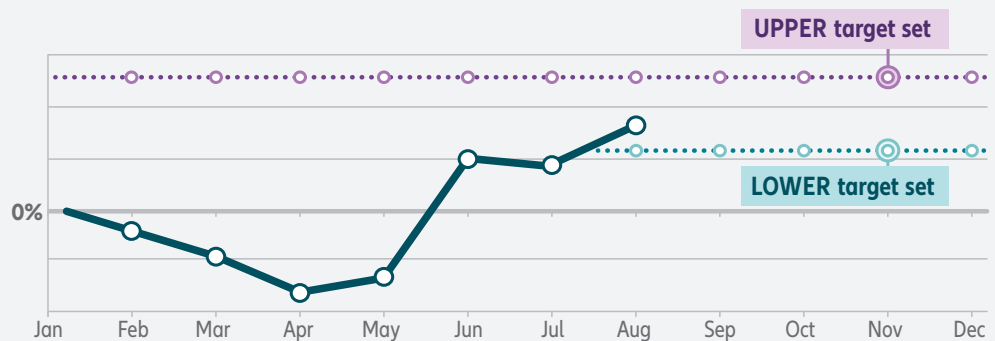
index allocation meets or exceeds his target, the end-of-day index value locks in automatically. This feature fits well with Russell's busy lifestyle.

HERE'S HOW IT WORKS:

Set the target(s): Any time during the crediting period, Russell can log into his Allianz FIA account at www.allianzlife.com and set one or both targets. (His upper target must be greater than the current index value and the lower target must be lower than the current index value.) He can set these at different times and change them as often as he would like.²

Set the target(s):

Russell chooses from the select index allocations that offer Auto Lock and establishes an upper target and enters 6%. Later, as the index allocation continues to increase, he establishes a lower target on that allocation of 4%.



These hypothetical examples are provided for illustrative purposes only to show how the performance lock could work and are not intended to represent the performance of a specific product.



¹ Setting targets authorizes Allianz to automatically activate an Index Lock once the target is reached based on the index interest rate percentage at the end of the business day. Because of this, the index interest rate percentage may be higher or lower than the target. This service may be discontinued at any time.

² An Index Lock can be activated manually online at any time, as long as an Auto Lock hasn't already been activated. Activating Index Lock manually will cancel any current targets set for the current crediting period. If a decision is made to activate an Index Lock manually – or if neither target has been reached at the end of your current crediting period – new targets for the next crediting period will need to be set.

This material must be used with an applicable fixed index annuity product brochure.

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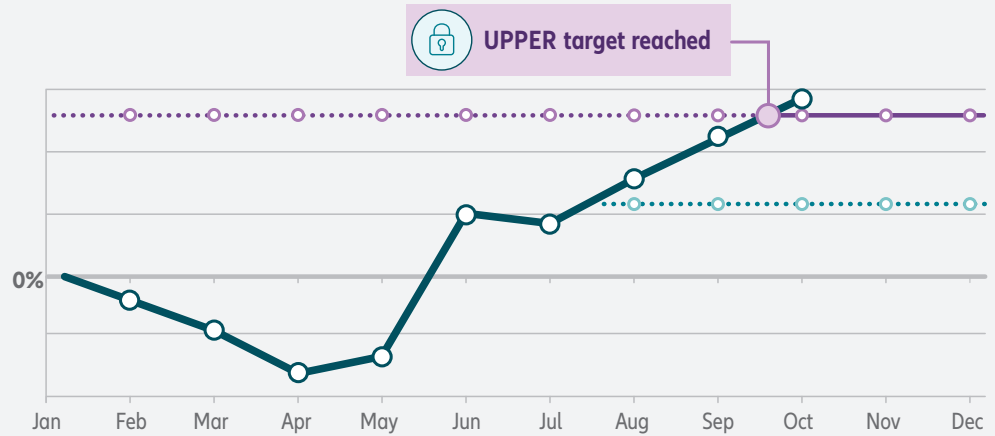
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NOW THAT HIS TARGETS ARE ESTABLISHED, RUSSELL IS ASSURED ONE OF THREE POTENTIAL OUTCOMES:

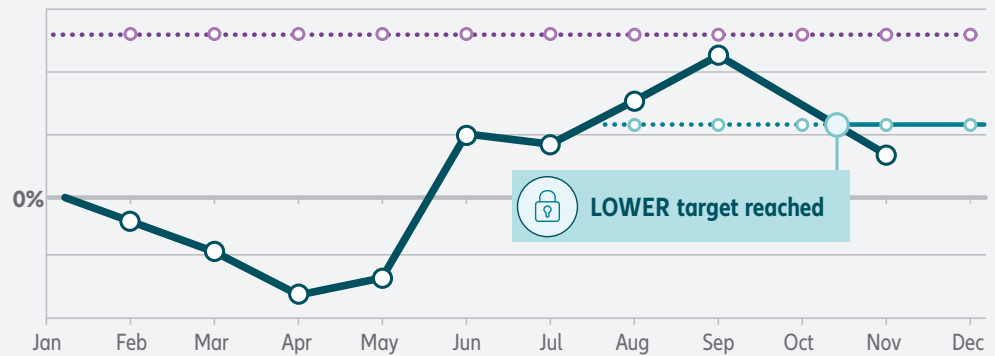
1 UPPER TARGET REACHED:

Russell's index allocation continues to increase to the point where it exceeds his upper target of 6%, based on the index's end-of-day index interest rate percentage, ending at 6.1%. Russell doesn't need to log in to his account to lock this in as it is done automatically for him. He will receive this indexed interest credit of 6.1% at the end of the crediting period, no matter what happens after his lock activates.



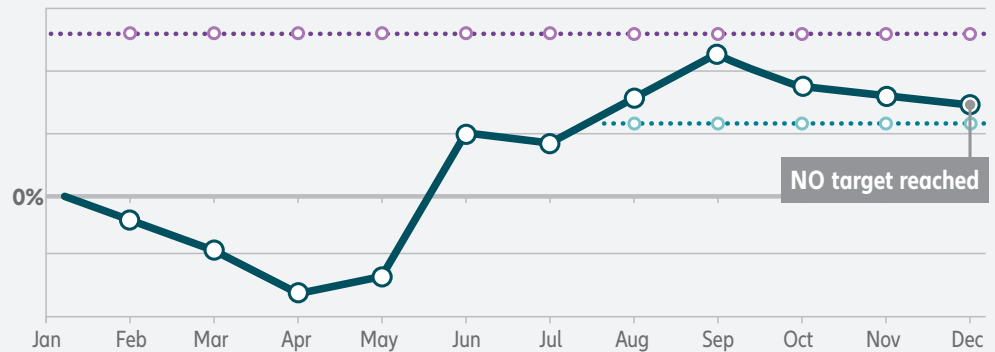
2 LOWER TARGET ACTIVATED:

Russell's index allocation continued to increase but experienced a downturn before reaching 6%, activating his lower target. The end-of-day index interest rate percentage locked in at 3.9%. Once again, Russell doesn't need to log in to activate this Index Lock because it happens automatically.



3 NO TARGETS REACHED:

In this scenario, Russell's index allocation fluctuates but never exceeds his upper target or decreases to his lower target. In this case the indexed interest he earns is determined by the index value at the end of the crediting period.



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To learn more about the control and convenience of Auto Lock, contact your Allianz financial professional and see CSI-504 for full details and business rules.

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