

Allianz Rewards
Variable Annuity

Allianz RewardsSM Variable Annuity Prospectus

A flexible-payment variable annuity: Allianz Life[®] Variable Account B

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NOTICE OF SUBSTITUTION

Dated April 30, 2021

Allianz Life Insurance Company of North America
 Allianz Life Variable Account A
 Allianz Life Variable Account B
 Allianz Life Insurance Company of New York
 Allianz Life of NY Variable Account C
 (collectively, "Allianz Life")

This notice supplements certain information contained in the prospectus and should be attached to the prospectus and retained for future reference.

This Notice is to inform you that Allianz Life has obtained an order from the U.S. Securities and Exchange Commission ("SEC") permitting Allianz Life to substitute shares of the Target Funds listed below with shares of the corresponding Destination Funds, owned through variable insurance products issued by Allianz Life. In other words, any shares of the Target Funds included below, that you hold through an Allianz Life variable product, will be replaced on the date of the substitution (anticipated to be June 18, 2021) with shares of the Destination Fund. You will receive a confirmation following the substitution.

Target Fund	Destination Fund
BlackRock Global Allocation V.I. Fund, Class III	AZL Moderate Index Strategy Fund
BNY MellonVIF Appreciation Portfolio, Service Class	AZL S&P 500 Index Fund, Class 2
Fidelity VIP FundsManager 50% Portfolio, Service Class 2	AZL Balanced Index Strategy Fund
Fidelity VIP FundsManager 60% Portfolio, Service Class 2	AZL Moderate Index Strategy Fund
Franklin Allocation VIP Fund, Class 2	AZL Moderate Index Strategy Fund
Franklin Income VIP Fund, Class 1	AZL Fidelity Institutional Asset Management Multi-Strategy Fund, Class 1
Franklin Income VIP Fund, Class 2	AZL Fidelity Institutional Asset Management Multi-Strategy Fund, Class 2
Franklin Mutual Shares VIP Fund, Class 1	AZL Russell 1000 Value Index Fund, Class 1
Franklin Mutual Shares VIP Fund, Class 2	AZL Russell 1000 Value Index Fund, Class 2
Franklin Strategic Income VIP Fund, Class 2	AZL Fidelity Institutional Asset Management Total Bond Fund, Class 2
PIMCO All Asset Portfolio, Administrative Class	AZL Fidelity Institutional Asset Management Multi-Strategy Fund, Class 2
PIMCO Dynamic Bond Portfolio, Administrative Class	PIMCO Total Return Portfolio, Administrative Class
PIMCO Global Bond Opportunities Portfolio (Unhedged), Administrative Class	PIMCO Global Core Bond (Hedged) Portfolio, Administrative Class
PIMCO Global Managed Asset Allocation Portfolio, Administrative Class	PIMCO Balanced Allocation Portfolio, Administrative Class
Templeton Growth VIP Fund, Class 1	AZL MSCI Global Equity Index Fund, Class 1
Templeton Growth VIP Fund, Class 2	AZL MSCI Global Equity Index Fund, Class 2

From the date of this Notice through the date of the substitution, you are permitted to transfer all or a portion of your Contract value invested in any subaccount investing in the Target Funds into other available Investment Options available to you under your Contract, without any limitation or charge on the transfer and without the transfer being counted as a transfer for purposes of transfer limitations and fees. In addition, if you do not exercise this free transfer right prior to the substitution, for a period of 60 days after the substitution, you may transfer Contract value invested in the Destination Funds into any one or more other

Investment Options available to you under your Contract, again without any limitation or charge on transfers. Any transfers you may make pursuant to this free transfer right will be subject to the restrictions on Investment Option allocations set forth in your Contract. Your free transfer will not count as one of the limited number of transfers permitted in a year free of charge, and Allianz Life will not impose any additional transfer restrictions on this transfer.

If you do not transfer your Contract value from any of the Target Funds prior to the date of the substitution, that amount, at relative net asset value, will be automatically transferred to the corresponding Destination Fund on the date of substitution. This automatic transfer will not count toward the number of free transfers available under your Contract, and you will not be assessed a transfer or any other fee for this automatic transfer.

Except for limitations imposed by a living benefit rider, or as described in the market timing limitations of the prospectus, we will not exercise any rights reserved under the Contracts to impose additional restrictions on transfers out of any Destination Fund during the free transfer period.

Allianz Life will send you an additional Notice within five days after the substitution has occurred. The Post-Substitution Notice will remind you of your right, for a period of 60 days following the date of substitution, to transfer from the Destination Funds into one or more other Investment Options available to you under your Contract, if you have not already exercised your free transfer rights.

We will send to you separately the prospectus for each Destination Fund applicable to you. If you would like further information or a prospectus, free of charge, for any of the Investment Options available under your Contract, or if you would like to make a transfer of your Contract value, please contact your financial professional or call our Service Center toll-free at 800.624.0197. Further information is also available on our website at www.allianzlife.com.

SUPPLEMENT DATED APRIL 30, 2021
To the following variable annuity prospectuses dated April 30, 2021:

ALLIANZ ALTERITYSM

ALLIANZ REWARDSSM

ISSUED BY

Allianz Life Insurance Company of North America and Allianz Life Variable Account B

This supplement updates certain information contained in the prospectus and should be attached to the prospectus and retained for future reference.

Alterity – Fee Tables, page 12

We are correcting the minimum total annual Investment Option operating expenses (including management fees, distribution or 12b-1 fees, and other expenses) before fee waivers and expense reimbursements to 0.65%.

We are also correcting the Examples as follows:

- 1) If you surrender your Contract (take a full withdrawal) at the end of each time period.

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:

	1 Year	3 Years	5 Years	10 Years
1.12% (maximum Investment Option operating exp.)	\$1,144	\$1,844	\$2,560	\$4,623
0.65% (minimum Investment Option operating exp.)	\$1,098	\$1,708	\$2,340	\$4,218

- 2) If you apply your total Contract Value to Annuity Payments (take a Full Annuitization) at the end of each time period. The earliest available date Annuity Payments can begin (Income Date) is two years after the Issue Date (the date we issue the Contract).

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:

	1 Year	3 Years	5 Years	10 Years
1.12% (maximum Investment Option operating expense)	N/A	\$1,344	\$2,260	\$4,623
0.65% (minimum Investment Option operating expense)	N/A	\$1,208	\$2,040	\$4,218

- 3) If you do not surrender your Contract.

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:

	1 Year	3 Years	5 Years	10 Years
1.12% (maximum Investment Option operating expense)	\$444	\$1,344	\$2,260	\$4,623
0.65% (minimum Investment Option operating expense)	\$398	\$1,208	\$2,040	\$4,218

Alterity – Section 10, Death Benefit – Death Benefit Payment Options During the Accumulation Phase, page 40

We are adding a second sentence to the last paragraph in this section as follows:

Other rules may apply to Qualified Contracts, such as all distributions must be made to Beneficiaries by the end of the tenth year after the Owner's death, except for distributions made to certain eligible designated Beneficiaries. The available options for certain Beneficiaries of Qualified Contracts have changed due to the enactment of the SECURE Act at the end of 2019.

Rewards – Fee Tables, page 12

We are correcting the minimum total annual Investment Option operating expenses (including management fees, distribution or 12b-1 fees, and other expenses) before fee waivers and expense reimbursements to 0.65%.

We are also correcting the Examples as follows:

- 1) If you surrender your Contract (take a full withdrawal) at the end of each time period.

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:	1 Year	3 Years	5 Years	10 Years
1.12% (maximum Investment Option operating expense)	\$1,309	\$2,237	\$3,129	\$5,047
0.65% (minimum Investment Option operating expense)	\$1,262	\$2,102	\$2,911	\$4,650

- 2) If you apply your total Contract Value to Annuity Payments (take a Full Annuitization) at the end of each time period. The earliest available date Annuity Payments can begin (Income Date) is three years after the Issue Date (the date we issue the Contract).

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:	1 Year	3 Years	5 Years	10 Years
1.12% (maximum Investment Option operating expense)	N/A	\$1,387	\$2,329	\$4,747
0.65% (minimum Investment Option operating expense)	N/A	\$1,252	\$2,111	\$4,350

- 3) If you do not surrender your Contract.

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:	1 Year	3 Years	5 Years	10 Years
1.12% (maximum Investment Option operating expense)	\$459	\$1,387	\$2,329	\$4,747
0.65% (minimum Investment Option operating expense)	\$412	\$1,252	\$2,111	\$4,350

Rewards – Section 10, Death Benefit – Death Benefit Payment Options During the Accumulation Phase, page 42

We are adding a second sentence to the last paragraph in this section as follows:

Other rules may apply to Qualified Contracts, such as all distributions must be made to Beneficiaries by the end of the tenth year after the Owner's death, except for distributions made to certain eligible designated Beneficiaries. The available options for certain Beneficiaries of Qualified Contracts have changed due to the enactment of the SECURE Act at the end of 2019.

ALLIANZ REWARDSSM VARIABLE ANNUITY CONTRACT

Issued by Allianz Life[®] Variable Account B and Allianz Life Insurance Company of North America

This prospectus describes all material rights and obligations of purchasers under a bonus individual flexible purchase payment variable deferred annuity contract (Contract) issued by Allianz Life Insurance Company of North America (Allianz Life, we, us, our).

The Contract offers you, the Owner, standard features including: multiple variable investment options (Investment Options) and annuitization options (Annuity Options), partial withdrawal privilege, a ten year withdrawal charge period, bonus option, and a death benefit (Traditional Guaranteed Minimum Death Benefit or Traditional GMDB).

We no longer accept additional Purchase Payments unless your Contract was issued in Connecticut, Florida, or New Jersey.

If you have an investment adviser and choose to pay their fees from this Contract, the deduction of this adviser fee is in addition to this Contract's fees and expenses, may be subject to a withdrawal charge, reduces your guaranteed values, reduces any guaranteed partial withdrawal payments, and may be subject to ordinary income taxes and a 10% additional federal tax.

All guarantees under the Contract are the obligations of Allianz Life and are subject to our claims paying ability and financial strength.

Please read this prospectus before investing and keep it for future reference. The prospectus describes all material rights and obligations of purchasers under the Contract. It contains important information about the Contract and Allianz Life that you ought to know before investing including material state variations. This prospectus was not offered in any state, country, or jurisdiction in which we were not authorized to sell the Contracts. You should rely only on the information contained in this prospectus. We have not authorized anyone to give you different information.

This prospectus is not intended to constitute a suitability recommendation or fiduciary advice.

Allianz Life Variable Account B is the Separate Account that holds the assets that underlie the Contract. Additional information about the Separate Account has been filed with the Securities and Exchange Commission (SEC) and is available upon written or oral request without charge, or on the EDGAR database on the SEC's website (www.sec.gov). A Statement of Additional Information (SAI) dated the same date as this prospectus includes additional information about the annuity previously offered by this prospectus. The SAI is incorporated by reference into this prospectus. The SAI is filed with the SEC and is available without charge by contacting us at the telephone number or address listed at the back of this prospectus. The SAI's table of contents appears after the Privacy and Security Statement in this prospectus. The prospectus, SAI and other Contract information are also available on the EDGAR database. The prospectus and SAI are also available on our website at www.allianzlife.com.

The SEC has not approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. An investment in this Contract is not a deposit of a bank or financial institution and is not federally insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency. An investment in this Contract involves investment risk including the possible loss of principal. Variable annuity contracts are complex insurance and investment vehicles. Before you invest, be sure to ask your Financial Professional about the Contract's features, benefits, risks, and fees, and whether the Contract is appropriate for you based upon your financial situation and objectives.

Dated: April 30, 2021

This prospectus discusses three versions of the same Contract. **We stopped offering all versions of the Contract on May 1, 2010.** The Original Contract first became available on May 1, 2000, had a lower mortality and expense risk (M&E) charge and offered a guaranteed minimum fixed income benefit (Enhanced Guaranteed Minimum Income Benefit or Enhanced GMIB) for an additional M&E charge. The Original Contract was replaced in most states by the May 2003 Contract. The May 2003 Contract first became available on May 5, 2003. The primary differences between the May 2003 Contract and Original Contract is that the May 2003 Contract has a higher M&E charge, and offered the Traditional PRIME Benefit and the Enhanced PRIME Benefit, each with an additional M&E charge. The May 2003 Contract was subsequently replaced by the May 2006 Contract, which first became available on May 1, 2006. The primary difference between the May 2003 Contract and May 2006 Contract is that the May 2006 Contract offered the

PRIME Plus Benefit for an additional M&E charge. For information on Original Contracts see Appendix F, and for information on May 2003 Contracts see Appendix G.

INVESTMENT OPTIONS AVAILABLE UNDER THE CONTRACT

ALLIANZ FUND OF FUNDS

AZL® Balanced Index Strategy Fund

AZL® DFA Multi-Strategy Fund

AZL® Moderate Index Strategy Fund

AZL MVP FusionSM Balanced Fund

AZL MVP FusionSM Conservative Fund

AZL MVP FusionSM Moderate Fund

AZL® MVP Balanced Index Strategy Fund

AZL® MVP Growth Index Strategy Fund

BLACKROCK

AZL® Government Money Market Fund

DIMENSIONAL

AZL® DFA Five-Year Global Fixed Income Fund

FIDELITY

AZL® Fidelity Institutional Asset Management® Multi-Strategy Fund

AZL® Fidelity Institutional Asset Management® Total Bond Fund

GATEWAY

AZL® Gateway Fund

PIMCO

PIMCO VIT Global Core Bond (Hedged) Portfolio

PIMCO VIT Total Return Portfolio

THE CONTRACT IS NO LONGER OFFERED FOR SALE.

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GLOSSARY

This prospectus is written in plain English. However, there are some technical words or terms that are capitalized and are used as defined terms throughout the prospectus. For your convenience, we included this glossary to define these terms.

The following is a list of common abbreviations used in this prospectus:

AIA	=	Annual Increase Amount	GPWB	=	Guaranteed Partial Withdrawal Benefit
GMDB	=	Guaranteed Minimum Death Benefit	MAV	=	Maximum Anniversary Value
GMIB	=	Guaranteed Minimum Income Benefit	PRIME	=	Protected Retirement Income Made Easy

Accumulation Phase – the initial phase of your Contract before you apply your total Contract Value to Annuity Payments. The Accumulation Phase begins on the Issue Date and may occur at the same time as the Annuity Phase if you take Partial Annuity Payments.

AIA (Annual Increase Amount) – a calculation used in determining the guaranteed value for the Enhanced GMIB on Original Contracts; the PB Value under Enhanced PRIME Benefit and PRIME Plus Benefit; and in determining the guaranteed death benefit value under the Second and Third Enhanced GMDBs.

Annuitant – the individual upon whose life we base the Annuity Payments. Subject to our approval, you designate the Annuitant and can add a joint Annuitant for the Annuity Phase if you take a Full Annuity Payment. There are restrictions on who can become an Annuitant.

Annuity Options – the annuity income options available to you under the Contract.

Annuity Payments – payments made by us to the Payee pursuant to the chosen Annuity Option.

Annuity Phase – the phase the Contract is in once Annuity Payments begin. This may occur at the same time as the Accumulation Phase if you apply part of your Contract Value to a Partial Annuity Payment.

Beneficiary – the person(s) or entity the Owner designates to receive any death benefit.

Business Day – each day on which the New York Stock Exchange is open for trading, except when an Investment Option does not value its shares. Allianz Life is open for business on each day that the New York Stock Exchange is open. Our Business Day closes when regular trading on the New York Stock Exchange closes, which is usually at 4:00 p.m. Eastern Time.

Contract – the bonus individual flexible purchase payment variable deferred annuity contract described by this prospectus.

Contract Anniversary – a twelve-month anniversary of the Issue Date or any subsequent twelve-month Contract Anniversary.

Contract Value – on any Business Day, the sum of the values in your selected Investment Choices, less any unvested bonus amounts. The Contract Value reflects the deduction of any contract maintenance charge, transfer fee, and M&E charge, but does not reflect the deduction of any withdrawal charge. It does not include amounts applied to a Partial Annuity Payment.

Contract Year – any period of twelve months beginning on the Issue Date or a subsequent Contract Anniversary.

Excess Withdrawal – for Contracts with a Traditional PRIME Benefit, Enhanced PRIME Benefit, or PRIME Plus Benefit that exercise the GPWB, this is an additional withdrawal you take while you are receiving GPWB Payments.

Financial Professional – the person who advises you regarding the Contract.

Fixed Account – a general account Investment Choice available with Original Contracts in most states.

Full Annuity Payment – the application of the total Contract Value to Annuity Payments.

Good Order – a request is in “Good Order” if it contains all of the information we require to process the request. If we require information to be provided in writing, “Good Order” also includes providing information on the correct form, with any required certifications, guarantees and/or signatures, and received at our Service Center after delivery to the correct mailing, email, or website address, which are all listed at the back of this prospectus. If you have questions about the information we require, or whether you can submit certain information by fax, email or over the web, please contact our

Service Center. If you send information by email or upload it to our website, we send you a confirmation number that includes the date and time we received your information.

GMDB (Guaranteed Minimum Death Benefit) – you were asked to select one of two GMDBs at Contract issue that may provide different guaranteed death benefit values.

GMIB (Guaranteed Minimum Income Benefit) – a benefit that provides a guaranteed minimum fixed income in the form of Annuity Payments (GMIB Payments). The Original Contract offered the Enhanced GMIB for an additional charge. The Traditional PRIME Benefit and the Enhanced PRIME Benefit both have a GMIB and were available under the Original Contract and May 2003 Contract. The May 2006 Contract has a GMIB included in the PRIME Plus Benefit.

GMIB Payments – fixed Annuity Payments we make under a GMIB based on the guaranteed value for Original Contracts with the Enhanced GMIB; or the PB Value for Original Contracts, May 2003 Contracts and May 2006 Contracts with a PRIME Benefit.

GPWB (Guaranteed Partial Withdrawal Benefit) – a benefit that provides a guaranteed minimum amount of income in the form of partial withdrawals based on the PB Value. The Original Contract and May 2003 Contract both have a GPWB included in the Traditional PRIME Benefit and the Enhanced PRIME Benefit. The May 2006 Contract has a GPWB included in the PRIME Plus Benefit.

GPWB Maximum – under PRIME Plus Benefit, this is the annual limit on GPWB Payments available to you under GPWB.

GPWB Payments – withdrawal payments we make to the Owner based on the PB Value.

Income Date – the date we begin making Annuity Payments to the Payee from the Contract. Because the Contract allows for Partial Annuity Payments, there may be multiple Income Dates.

Investment Choices – the Investment Options and any general account Investment Choices available under the Contract for Purchase Payments or transfers.

Investment Options – the variable investments available to you under the Contract. Investment Option performance is based on the securities in which they invest.

Issue Date – the date shown on the Contract that starts the first Contract Year. Contract Anniversaries and Contract Years are measured from the Issue Date.

Joint Owners – two Owners who own a Contract.

MAV (Maximum Anniversary Value) – a calculation used in determining the guaranteed value for the Enhanced GMIB on Original Contracts; the PB Value under Enhanced PRIME Benefit and PRIME Plus Benefit; and in determining the guaranteed death benefit value under the Original, Second, and Third Enhanced GMDBs.

May 2003 Contract – this Contract first became available on May 5, 2003 and was replaced by the May 2006 Contract. Information regarding the product features and expenses specific to the May 2003 Contract are included in Appendix G.

May 2006 Contract – the Contract described in the body of this prospectus that first became available on May 1, 2006.

Non-Qualified Contract – a Contract that is not purchased under a pension or retirement plan that qualifies for special tax treatment under sections of the Internal Revenue Code.

Original Contract – this Contract first became available on May 1, 2000 and was replaced in most states by the May 2003 Contract. Information regarding the product features and expenses specific to the Original Contract are included in Appendix F.

Owner – “you,” “your” and “yours.” The person(s) or entity designated at Contract issue and named in the Contract who may exercise all rights granted by the Contract.

Partial Annuity Payment – the application of only part of the Contract Value to Annuity Payments.

Payee – the person or entity who receives Annuity Payments during the Annuity Phase.

PB Value – the amount used to calculate GPWB Payments and GMIB Payments under Traditional PRIME Benefit, Enhanced PRIME Benefit, and PRIME Plus Benefit.

PRIME (Protected Retirement Income Made Easy) Benefits – a benefit package that includes a GMIB and GPWB and carries an additional M&E charge. The Traditional PRIME Benefit and the Enhanced PRIME Benefit were available to Original Contracts and May 2003 Contracts. The May 2006 Contracts offered the PRIME Plus Benefit.

Purchase Payment – the money you put into the Contract.

Qualified Contract – a Contract purchased under a pension or retirement plan that qualifies for special tax treatment under sections of the Internal Revenue Code (for example, 401(a) and 401(k) plans), Individual Retirement Annuities (IRAs), or Tax-Sheltered Annuities (referred to as TSA or 403(b) contracts).

Rewards Value – on any Business Day it is equal to the sum of the values of your Investment Choices and includes unvested bonus amounts.

Separate Account – Allianz Life Variable Account B is the Separate Account that issued your Contract. It is a separate investment account of Allianz Life. The Separate Account holds the Investment Options that underlie the Contracts. The Separate Account is divided into subaccounts, each of which invests exclusively in a single Investment Option.

Service Center – the area of our company that provides Contract maintenance and routine customer service. Our Service Center address and telephone number are listed at the back of this prospectus. The address for mailing checks for Purchase Payments may be different and is also listed at the back of this prospectus.

Traditional Annuity Payments – Annuity Payments we make to the Payee based on the Contract Value.

Valid Claim – the documents we require to be received in Good Order at our Service Center before we pay any death claim. This includes the death benefit payment option, due proof of death, and any required governmental forms. Due proof of death includes a certified copy of the death certificate, a decree of court of competent jurisdiction as to the finding of death, or any other proof satisfactory to us.

Withdrawal Charge Basis – the total amount under your Contract that is subject to a withdrawal charge.

FEE TABLES

These tables describe the fees and expenses you pay when owning and taking a withdrawal from the Contract, or transferring Contract Value between Investment Options. For more information, see section 7. These tables do not reflect any financial adviser fees that you pay from your other assets, or that you choose to have us pay from this Contract. If financial adviser fees were reflected, fees and expenses would be higher.

OWNER TRANSACTION EXPENSES

Withdrawal Charge During Your **Contract's First Phase**, the Accumulation Phase⁽¹⁾
(as a percentage of each Purchase Payment withdrawn)^{(2),(3)}

Number of Complete Years Since Purchase Payment	Withdrawal Charge Amount
0	8.5%
1	8.5%
2	8.5%
3	8.5%
4	8.0%
5	7.0%
6	6.0%
7	5.0%
8	4.0%
9	3.0%
10 years or more	0.0%

Commutation Fee During the Annuity Phase for liquidations under Annuity Option 2, 4, and 6⁽⁴⁾
(as a percentage of amount liquidated)

Number of Complete Years Since Purchase Payment	Commutation Fee Amount
0	7%
1	6%
2	5%
3	4%
4	3%
5	2%
6 years or more	1%

Transfer Fee ⁽⁵⁾	\$25
(for each transfer after twelve in a Contract Year)	
Premium Tax ⁽⁶⁾	3.5%
(as a percentage of each Purchase Payment)	

OWNER PERIODIC EXPENSES

Contract Maintenance Charge ⁽⁷⁾	\$40
(per Contract per year)	

- (1) The Contract provides a partial withdrawal privilege that allows you to withdraw 10% of your total Purchase Payments annually, not including any bonus, without incurring a withdrawal charge as discussed in section 8, Access to Your Money – Partial Withdrawal Privilege.
- (2) The Withdrawal Charge Basis is the amount subject to a withdrawal charge as discussed in section 7, Expenses – Withdrawal Charge.
- (3) For Contracts issued in Connecticut and New Jersey the withdrawal charge is 8.5%, 8.5%, 8.0%, 7.0%, 6.0%, 5.0%, 4.0%, 3.0%, 2.0%, 1.0%, and 0.0% for the time periods referenced.
- (4) Liquidations are limited to certain Contracts as stated in Appendix B.
- (5) We count all transfers made in the same Business Day as one transfer. Program related transfers are not subject to the transfer fee and do not count against the free transfers we allow as discussed in section 7, Expenses – Transfer Fee. Transfers are subject to the market timing policies discussed in section 5, Investment Options – Excessive Trading and Market Timing.

(6) Not currently deducted, but we reserve the right to do so in the future. This is the maximum charge we could deduct if we exercise this right as discussed in section 7, Expenses – Premium Tax.

(7) Waived if the Rewards Value is at least \$75,000 as discussed in section 7, Expenses – Contract Maintenance Charge.

CONTRACT ANNUAL EXPENSES

	Separate Account Annual Expenses ⁽⁸⁾ (as a percentage of each Investment Options' net asset value)
Original Contract without optional benefits	
Mortality and Expense Risk (M&E) Charge	1.50%
Administrative Charge	<u>0.15%</u>
Total	1.65%
Original Contract with Original Enhanced GMDB	
Original Contract with Traditional PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.20%</u>
Total	1.85%
Original Contract with Second Enhanced GMDB	
Original Contract with Enhanced GMIB and Traditional GMDB	
Additional M&E Charge	<u>0.30%</u>
Total	1.95%
Original Contract Traditional PRIME Benefit and Original Enhanced GMDB	
Additional M&E Charge	<u>0.40%</u>
Total	2.05%
Original Contract with Enhanced GMIB and Second Enhanced GMDB	
Additional M&E Charge	<u>0.50%</u>
Total	2.15%
Original Contract Enhanced PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.70%</u>
Total	2.35%
Original Contract with Enhanced PRIME Benefit and Original Enhanced GMDB	
Additional M&E Charge	<u>0.90%</u>
Total	2.55%

	Separate Account Annual Expenses ⁽⁸⁾ (as a percentage of each Investment Options' net asset value)
May 2003 Contract without optional benefits	
May 2006 Contract without optional benefits	
Mortality and Expense Risk (M&E) Charge	1.55%
Administrative Charge	<u>0.15%</u>
Total	1.70%
May 2003 Contract with Traditional PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.20%</u>
Total	1.90%
May 2003 Contract with Third Enhanced GMDB	
May 2006 Contract with Third Enhanced GMDB	
Additional M&E Charge	<u>0.30%</u>
Total	2.00%
May 2003 Contract Traditional PRIME Benefit and Third Enhanced GMDB	
Additional M&E Charge	<u>0.45%</u>
Total	2.15%
May 2003 Contract with Enhanced PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.70%</u>
Total	2.40%
May 2003 Contract with Enhanced PRIME Benefit and Third Enhanced GMDB	
Additional M&E Charge	<u>0.90%</u>
Total	2.60%

	Additional M&E Charge ⁽⁹⁾ (as a percentage of each Investment Options' net asset value)		Total Separate Account Annual Expenses ⁽⁸⁾ (as a percentage of each Investment Options' net asset value)	
	Maximum ⁽¹⁰⁾	Current	Maximum ⁽¹⁰⁾	Current
May 2006 Contract with PRIME Plus Benefit and...				
Traditional GMDB	1.15%	0.70%	2.85%	2.40%
Third Enhanced GMDB	1.05%	0.60%	3.05%	2.60%

(8) The Contract allows Partial Annuitization. After a Partial Annuitization, the Separate Account annual expenses listed above applies to the net asset value remaining in the Accumulation Phase. If you select variable Annuity Payments the Separate Account annual expenses for Original Contracts is 1.65% of the net asset value in the Annuity Phase, or 1.70% for May 2003 Contracts and May 2006 Contracts. If you select fixed Annuity Payments or GMIB Payments we do not assess the Separate Account annual expenses during the Annuity Phase. See section 7, Expenses – Separate Account Annual Expenses.

(9) We assess the additional M&E charge for the PRIME Plus Benefit during the Accumulation Phase while your benefit is in effect and your Contract Value is positive as discussed in section 7, Expenses – Separate Account Annual Expenses.

(10) This is the maximum charge we could impose on a Contract with the PRIME Plus Benefit, or if you reset the 7% AIA.

ANNUAL OPERATING EXPENSES OF THE INVESTMENT OPTIONS

Following are the minimum and maximum total annual operating expenses charged by any of the Investment Options for the period ended December 31, 2020, before the effect of any contractual expense reimbursement or fee waiver. We show the expenses as a percentage of an Investment Option's average daily net assets.

	<u>Minimum</u>	<u>Maximum</u>
Total annual Investment Option operating expenses ⁽¹¹⁾ (including management fees, distribution or 12b-1 fees, and other expenses) before fee waivers and expense reimbursements	0.64%	1.12%

⁽¹¹⁾ Some of the Investment Options or their affiliates may also pay service fees to us or our affiliates. Amounts may be different for each Investment Option. The maximum service fee we currently receive from any variable investment option in any variable annuity contract we offer is 0.55%. If these fees are deducted from Investment Option assets, they are reflected in the above table.

EXAMPLES

These examples are intended to help you compare the cost of investing in this Contract with the costs of other variable annuity contracts. These examples assume you make a \$10,000 investment and your selected Investment Options earn a 5% annual return. They also assume the maximum potential fees and charges for each period and are not a representation of past or future expenses. Your Contract fees and expenses may be more or less than the examples below, depending on the Investment Option(s) and optional benefits you selected, and whether and when you take withdrawals. The expenses shown in these examples do not show the effect of any expenses assessed against the bonus. These examples also do not reflect any financial adviser fees that you pay from your other assets, or that you choose to have us pay from this Contract. If financial adviser fees were reflected, costs would be higher.

We deduct the \$40 contract maintenance charge in the examples at the end of the last Business Day before each Contract Anniversary during the Accumulation Phase. A Business Day is each day the New York Stock Exchange is open for trading and it ends when regular trading on the New York Stock Exchange closes, which is usually at 4:00 p.m. Eastern Time. A Contract Anniversary is a twelve-month anniversary of your Contract's Issue Date. During the Annuity Phase, we deduct the contract maintenance charge proportionately from each Annuity Payment. We may waive this charge under certain circumstances, as described in section 7, Expenses – Contract Maintenance Charge. A transfer fee may apply, but is not reflected in these examples (see section 7, Expenses – Transfer Fee).

All figures in the examples below reflect the most expensive combination of benefits, which is the May 2006 Contract with the Third Enhanced GMDB and PRIME Plus Benefit (8.5% declining withdrawal charge, and a 3.05% total Separate Account annual expense, which includes the 2.00% Separate Account annual expense for a May 2006 Contract with the Third Enhanced GMDB, and a maximum additional M&E charge of 1.05% for the PRIME Plus Benefit).

1) If you surrender your Contract (take a full withdrawal) at the end of each time period.

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
1.12% (maximum Investment Option operating expense)	\$1,309	\$2,237	\$3,129	\$5,047
0.64% (minimum Investment Option operating expense)	\$1,261	\$2,099	\$2,906	\$4,641

2) If you apply your total Contract Value to Annuity Payments (take a Full Annuitization) at the end of each time period. The earliest available date Annuity Payments can begin (Income Date) is three years after the Issue Date (the date we issue the Contract).

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
1.12% (maximum Investment Option operating expense)	N/A	\$1,387	\$2,329	\$4,747
0.64% (minimum Investment Option operating expense)	N/A	\$1,249	\$2,106	\$4,341

3) If you do not surrender your Contract.

Total annual Investment Option operating expenses before any fee waivers or expense reimbursements of:	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
1.12% (maximum Investment Option operating expense)	\$459	\$1,387	\$2,329	\$4,747
0.64% (minimum Investment Option operating expense)	\$411	\$1,249	\$2,106	\$4,341

See Appendix A for condensed financial information regarding the accumulation unit values (AUVs) for the highest and lowest charges as of December 31, 2020. See the SAI Appendix B for condensed financial information regarding the December 31, 2020 AUVs for other charges.

1. THE VARIABLE ANNUITY CONTRACT

The Contract is no longer offered for sale, but you may be able to make additional Purchase Payments if your Contract was issued in Connecticut, Florida, or New Jersey.

An annuity is a contract between you as the Owner, and an insurance company (in this case Allianz Life), where you make payments to us and the money is invested in Investment Choices available through the Contract. The Investment Choices are the Investment Options and the general account investment option, which is the DCA Fixed Option discussed in section 3. Depending on market conditions, your Contract can gain or lose value based on your selected Investment Choices' performance. When you are ready to take money out, we make payments to you according to your instructions and any restrictions associated with the payout option you select that is described in this prospectus. We do not make any changes to your Contract without your permission except as may be required by law.

The Contract has an Accumulation Phase and an Annuity Phase.

The Accumulation Phase is the first phase of your Contract, and it begins on the Issue Date. During the Accumulation Phase, your money is invested in the Investment Choices you select on a tax-deferred basis. Tax deferral means you are not taxed on any earnings or appreciation on the assets in your Contract until you take money out of your Contract. (For more information, see section 12, Taxes.)

During the Accumulation Phase you can take withdrawals (subject to any withdrawal charge) and you can make additional Purchase Payments subject to the restrictions set out in section 3, Purchase Payments – Purchase Payment Requirements.

The Accumulation Phase ends upon the earliest of the following.

- The Business Day before the Income Date if you take a Full Annuitization. A Business Day is any day the New York Stock Exchange is open, except when an Investment Option does not value its shares.
- The Business Day we process your request for a full withdrawal.
- Upon the death of any Owner (or the Annuitant if the Contract is owned by a non-individual), the Business Day we first receive a Valid Claim from any one Beneficiary, unless the surviving spouse/Beneficiary continues the Contract. If there are multiple Beneficiaries, the remaining Contract Value continues to fluctuate with the performance of the Investment Choices until the complete distribution of the death benefit.

If you request Annuity Payments, your Contract enters the Annuity Phase. During the Annuity Phase we make regular periodic payments (Annuity Payments) based on the life of a person you choose (the Annuitant). We send Annuity Payments to you (the Payee). You can choose when Annuity Payments begin (the Income Date), subject to certain restrictions. We base Traditional Annuity Payments on your Contract Value and the payout rates for the Annuity Option you select. Traditional Annuity Payments are available to all Contracts. For Contracts with the PRIME Plus Benefit, you can request fixed Annuity Payments under the GMIB (GMIB Payments) based on the PB Value beginning ten Contract Years after the benefit was added to your Contract, or ten Contract Years after the date of any 7% AIA reset as discussed in section 11.b, Guaranteed Minimum Income Benefit (GMIB). If you select fixed Traditional Annuity Payments or GMIB Payments, your payments do not change unless an Annuitant dies. The Annuity Phase ends when we make the last Annuity Payment under your selected Annuity Option. For more information, see section 9, The Annuity Phase.

WHEN THE CONTRACT ENDS

The Contract ends when:

- all applicable phases of the Contract (Accumulation Phase and/or Annuity Phase) have ended, and/or
- if we received a Valid Claim, all applicable death benefit payments have been made.

For example, if you take a full withdrawal of the total Contract Value, both the Accumulation Phase and the Contract end even though the Annuity Phase never began and we did not make any death benefit payments.

STATE SPECIFIC CONTRACT RESTRICTIONS

Your Contract is subject to the law of the state in which it was issued. Some of the features of your Contract may differ from the features of a Contract issued in another state because of state-specific legal requirements. In addition, not all features and benefits are approved in all states. All material state and Issue Date variations in the Contract are disclosed in this prospectus. If you would like more information regarding state or Issue Date specific Contract provisions, you should

contact your Financial Professional or contact our Service Center at the toll-free telephone number listed at the back of this prospectus. Our “Service Center” is the area of our company that issues Contracts and provides Contract maintenance and routine customer service.

2. OWNERS, ANNUITANTS, AND OTHER SPECIFIED PERSONS

OWNER

You, as the Owner, have all the rights under the Contract. The Owner was designated at Contract issue. The Owner may be a non-individual, which is anything other than an individual person, which could be a trust, qualified plan, or corporation. Qualified Contracts and non-individually owned Contracts can only have one Owner.

JOINT OWNERS

Non-Qualified Contracts can be owned by up to two individual Owners. If a Contract has Joint Owners, we generally require the signature of both Owners on any forms that are submitted to our Service Center.

Partial Annuity Payments (applying only part of your Contract Value to Annuity Payments) are not available to Joint Owners. There can be only one Owner, the Owner must be the Annuitant, and we do not allow the Owner to add a joint Annuitant.

ANNUITANT

The Annuitant is the individual on whose life we base Annuity Payments. Subject to our approval, you designated an Annuitant when you purchased a Contract. For Qualified Contracts, before the Income Date the Owner must be the Annuitant unless the Contract is owned by a qualified plan or is part of a custodial arrangement. You can change the Annuitant on an individually owned Non-Qualified Contract at any time before the Income Date, but you cannot change the Annuitant if the Owner is a non-individual (for example, a qualified plan or trust). Subject to our approval, you can add a joint Annuitant on the Income Date if you take a Full Annuity Payment. For Qualified Contracts, the ability to add a joint Annuitant is subject to any plan requirements associated with the Contract. For individually owned Contracts, if the Annuitant who is not an Owner dies before the Income Date, the sole Owner (or younger Joint Owner) automatically becomes the new Annuitant, but the Owner can subsequently name another Annuitant.

Designating different persons as Owner(s) and Annuitant(s) can have important impacts on whether a death benefit is paid, and on who receives it as indicated below. Use care when designating Owner(s) and Annuitant(s), and consult your Financial Professional if you have questions.

UPON THE DEATH OF A SOLE OWNER

Action under any portion of the Contract that is in the Accumulation Phase	Action under any portion of the Contract that is in the Annuity Phase
<ul style="list-style-type: none"> • We pay a death benefit to the the Beneficiary unless the Beneficiary is the surviving spouse and continues the Contract. If you selected a PRIME Benefit, unless the Contract is continued by a surviving spouse/Beneficiary the Guaranteed Partial Withdrawal Benefit (GPWB) ends and the Guaranteed Minimum Income Benefit (GMIB) is no longer available. • The death benefit is the greater of the Contract Value or the guaranteed death benefit value. <ul style="list-style-type: none"> - Under the Traditional GMDB the guaranteed death benefit value is total Purchase Payments adjusted for withdrawals. - Under the Original Enhanced GMDB the guaranteed death benefit value is the greater of total Purchase Payments adjusted for withdrawals, or the Maximum Anniversary Value (MAV). - Under the Second Enhanced GMDB the guaranteed death benefit value is greater of a 5% annual increase on total Purchase Payments adjusted for withdrawals (5% Annual Increase Amount, or 5% AIA), or the MAV. - Under the Third Enhanced GMDB the guaranteed death benefit value is the greater of a 3% annual increase on total Purchase Payments adjusted for withdrawals (3% Annual Increase Amount, or 3% AIA), or the MAV. • If a surviving spouse Beneficiary continues the Contract, as of the end of the Business Day we receive their Valid Claim: <ul style="list-style-type: none"> - we increase the Contract Value to equal the guaranteed death benefit value if greater, and the death benefit continues to be available to the surviving spouse's Beneficiary(s), - the surviving spouse becomes the new Owner, and - the Accumulation Phase continues. 	<ul style="list-style-type: none"> • The Beneficiary becomes the Payee. If we are still required to make Annuity Payments under the selected Annuity Option, the Beneficiary also becomes the new Owner. • If the deceased was not an Annuitant, Annuity Payments to the Payee continue. No death benefit is payable. • If the deceased was the only surviving Annuitant, Annuity Payments end or continue as follows: <ul style="list-style-type: none"> - Annuity Option 1 or 3, payments end. - Annuity Option 2 or 4, payments end when the guaranteed period ends, or when we pay any final lump sum. - Annuity Option 5, payments end and the Payee may receive a lump sum refund. - Annuity Option 6, payments end when the guaranteed period ends. • If the deceased was an Annuitant and there is a surviving joint Annuitant, Annuity Payments to the Payee continue during the lifetime of the surviving joint Annuitant. No death benefit is payable.

BENEFICIARY

The Beneficiary is the person(s) or entity you designated to receive any death benefit. You can change the Beneficiary or contingent Beneficiary at any time before your death unless you name an irrevocable Beneficiary. If a Beneficiary predeceases you, or you and a Beneficiary die simultaneously as defined by applicable state law or regulation, that Beneficiary's interest in this Contract ends unless your Beneficiary designation specifies otherwise. If there are no surviving Beneficiaries or if there is no named Beneficiary, we pay the death benefit to your estate or the Owner if the Owner is a non-individual.

FOR JOINTLY OWNED CONTRACTS: The sole primary Beneficiary is the surviving Joint Owner regardless of any other named Beneficiaries. If both Joint Owners die simultaneously as defined by applicable state law or regulation, we pay the death benefit to the named contingent Beneficiaries, or to the estate of the Joint Owner who died last if there are no named contingent Beneficiaries.

PAYEE

The Payee is the person or entity who receives Annuity Payments during the Annuity Phase. The Owner receives tax reporting on those payments. Generally we require the Payee to be an Owner. However, we may allow you to name a charitable trust, financial institution, qualified plan, or an individual specified in a court order as a Payee subject to our approval. For Qualified Contracts owned by a qualified plan, the qualified plan must be the Payee.

ASSIGNMENTS, CHANGES OF OWNERSHIP AND OTHER TRANSFERS OF CONTRACT RIGHTS

You can assign your rights under this Contract to someone else during the Accumulation Phase. An assignment may be absolute or limited, and includes changes of ownership, collateral assignments, or any other transfer of specific Contract rights. After an assignment, you may need the consent of the assignee of record to exercise certain Contract rights depending on the type of assignment and the rights assigned.

You must submit your request to assign the Contract in writing to our Service Center and we must approve it in writing. To the extent permitted by state law, we reserve the right to refuse to consent to any assignment at any time on a nondiscriminatory basis. We will not consent if the assignment would violate or result in noncompliance with any applicable state or federal law or regulation.

Upon our consent, we record the assignment. We are not responsible for the validity or effect of the assignment. We are not liable for any actions we take or payments we make before we receive your request in Good Order and record it. Assigning the Contract does not change, revoke or replace the originally named Annuitant or Beneficiary; if you also want to change the Annuitant or Beneficiary you must make a separate request.

An assignment may be a taxable event. In addition, there are other restrictions on changing the ownership of a Qualified Contract and Qualified Contracts generally cannot be assigned absolutely or on a limited basis. ***You should consult with your tax adviser before assigning this Contract.***

3. PURCHASE PAYMENTS

PURCHASE PAYMENT REQUIREMENTS

The Contract is no longer offered for sale, but you may be able to make additional Purchase Payments if your Contract was issued in Connecticut, Florida, or New Jersey. For Contracts issued in Connecticut, we do not accept additional Purchase Payments on or after the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual).

The additional Purchase Payment requirements for this Contracts are as follows.

- If you do not have the PRIME Plus Benefit, you can make additional Purchase Payments of \$50 or more during the Accumulation Phase.
- If you have the PRIME Plus Benefit, you can make additional Purchase Payments of \$50 or more during the Accumulation Phase before GPWB Payments begin. **However, you cannot make additional Purchase Payments on or after the date GPWB Payments begin.**
- We do not accept additional Purchase Payments on or after the Income Date if you take a Full Annuitization.
- The maximum total Purchase Payments we accept without our prior approval is \$1 million.

We may, at our sole discretion, waive the minimum Purchase Payment requirements.

If you make additional Purchase Payments, we add this money to your Contract on the Business Day we receive it in Good Order. Our Business Day closes when regular trading on the New York Stock Exchange closes.

If you submit a Purchase Payment to your Financial Professional, we do not begin processing the payment until we receive it. A Purchase Payment is “received” when it arrives at our Service Center from the address for mailing checks listed at the back of this prospectus regardless of how or when you submitted them. We forward Purchase Payments we receive at the wrong address to the last address listed at the back of this prospectus, which may delay processing.

We can only decline a Purchase Payment if it would cause total Purchase Payments to be more than \$1 million, or if it would otherwise violate the Purchase Payment restrictions of your Contract (for example, we do not allow additional Purchase Payments on or after the Income Date). If mandated under applicable law, we may be required to reject a Purchase Payment.

BONUS

We credit each Purchase Payment we receive before the older Owner’s 81st birthday (or the Annuitant’s 81st birthday if the Contract is owned by a non-individual) with a bonus at the time it is received. During the first 90 days of your Contract, we base the bonus rate on all net Purchase Payments (not including any bonus) received, which is the total amount of Purchase Payments received in the first 90 days of your Contract, less any withdrawals (but including any withdrawal charge) taken during this period. After this initial period, we base the bonus rate on all net Purchase Payments (not including any bonus) received from the Issue Date until the date we receive your additional Purchase Payment. The bonus rates are as follows:

Net Purchase Payment	Bonus
\$0 - \$24,999	4%
\$25,000 - \$99,999	5%
\$100,000 - \$999,999	6%
\$1,000,000 - \$4,999,999	7%
\$5,000,000 +	8%

The bonus is subject to the following terms:

- 1) Bonus amounts are available to you as they vest. We include the bonus in any part of a guaranteed value based on Contract Value, but only as it vests. We do not include the bonus in any part of a guaranteed value based on Purchase Payments. Any bonus amounts you receive during the first 90 days of your Contract will vest based on the date of the additional Purchase Payment to which they are applied. The vesting schedule is as follows.

Number of Complete Years Since Purchase Payment	Vesting Percentage
0	0%
1	35%
2	70%
3+	100%

- 2) We treat all bonus amounts and their gains or losses as Contract earnings for both tax purposes and the withdrawal charge.
- 3) All bonus gains and losses are part of your Contract Value and are always 100% vested.
- 4) If the Contract is owned by a non-individual, then we use the age of the Annuitant to determine whether a bonus applies.

We pay all bonus amounts from the general account assets of Allianz Life.

We deduct Contract charges other than the M&E charge from the Rewards Value, which is your Contract Value plus any unvested bonus. If you take a withdrawal* or Full Annuitization, or if a death benefit is payable in the first three years after we receive a Purchase Payment, you lose all or some of your bonus. Since we assess charges against the Rewards Value, it is possible that upon withdrawal, particularly in a declining market, you will receive less money back than you would have if you had not received the bonus or not purchased a bonus annuity. You may alleviate this risk by allocating the bonus to the AZL[®] Government Money Market Fund. We expect to profit from certain charges assessed under the Contract associated with the bonus (for example, the withdrawal charge and the M&E charge).

* Withdrawals include Partial Annuitizations, GPWB Payments, and Excess Withdrawals.

Example

- You purchased the Contract with an initial Purchase Payment of \$80,000. The bonus rate for this payment is 5% and the bonus amount is \$4,000. This bonus will completely vest on the third Contract Anniversary.
- 30 days later we receive a second Purchase Payment of \$25,000. The bonus rate for this payment is 6% and the bonus amount would be \$1,500.
- When we receive your second payment, you receive an additional bonus of 1% (or \$800) on your initial Purchase Payment because the second payment was received within the first 90 days of your Contract. The total bonus on your second Purchase Payment would then be \$2,300 and it will vest based on the date we received this payment.

ALLOCATION OF PURCHASE PAYMENTS

We no longer accept additional Purchase Payments unless your Contract was issued in Connecticut, Florida, or New Jersey. For Contracts issued in Connecticut, we do not accept additional Purchase Payments on or after the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual).

You must allocate your money to the Investment Choices in whole percentages. We allow you to invest in up to 15 Investment Options at any one time. We may change this maximum in the future, but you can always invest in at least five Investment Options.

You can instruct us how to allocate additional Purchase Payments. If you do not instruct us, we allocate them according to your future Purchase Payment allocation instructions. If you allocate the bonus to the AZL[®] Government Money Market Fund this will be the default allocation for the bonus unless you give us other instructions. If you do not allocate the bonus to the AZL[®] Government Money Market Fund, then we allocate the bonus in the same way as its corresponding Purchase Payment. Contract Value transfers between Investment Choices do not change your future allocation instructions.

You can change your future allocation instructions at any time without fee or penalty. Future allocation instruction changes are effective on the Business Day we receive them in Good Order at our Service Center. If you change your future allocation instructions and you are participating in the dollar cost averaging program or the flexible rebalancing program, this change does not automatically apply to your allocation instructions for these programs. To change your allocation instructions for these programs, you must send us additional instructions. We accept changes to future allocation instructions from any Owner unless you instruct otherwise. We may allow you to authorize someone else to change allocation instructions on your behalf.

AUTOMATIC INVESTMENT PLAN (AIP)

The AIP is not available unless your Contract was issued in Connecticut, Florida, or New Jersey. For Contracts issued in Connecticut, AIP is not available on or after the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual). **AIP is also not available if you have a Qualified Contract that is funding a plan that is tax qualified under Section 401 or 403(b) of the Internal Revenue Code.**

The AIP makes additional Purchase Payments during the Accumulation Phase on a monthly or quarterly basis by electronic money transfer from your savings, checking or brokerage account. You can participate in AIP by completing our AIP form. Our Service Center must receive your form in Good Order by the 15th of the month (or the next Business Day if the 15th is not a Business day) in order for AIP to begin that same month. We process AIP Purchase Payments on the 20th of the month, or the next Business Day if the 20th is not a Business Day. We allocate AIP Purchase Payments according to your future allocation instructions. AIP Purchase Payments must comply with the allocation requirements and restrictions stated in this section. We must receive your request to stop or change AIP at our Service Center before the end of the last Business Day immediately before the Business Day we process AIP to make the change that month. AIP ends automatically as follows.

- If you begin GPWB Payments, AIP ends on the date payments begin.
- If you begin Annuity Payments, AIP ends on the last Business Day before the Income Date.

We reserve the right to discontinue or modify AIP at any time and for any reason.

DOLLAR COST AVERAGING (DCA) PROGRAM

The DCA program transfers Contract Value monthly or quarterly from an Investment Option you select to other Investment Options (Standard DCA Option). For Contracts issued in Connecticut, Florida, or New Jersey, if you make an additional Purchase Payment you can instead select to participate in the DCA Fixed Option. By allocating on a regularly

scheduled basis, as opposed to making a one-time allocation, your Contract Value may be less susceptible to market fluctuations. However, dollar cost averaging does not directly result in a Contract Value gain or protect against a market loss.

You can participate in the DCA program by completing our DCA form. You can participate in this program for at least six months, during the Accumulation Phase, one or more times. There are no fees for DCA transfers and currently, we do not count them as a free transfer. We reserve the right to discontinue or modify the DCA program at any time and for any reason.

If you choose to participate in this program the Standard DCA Option, you must allocate at least \$1,500 to the source Investment Option from which we will make DCA transfers. If you choose to participate in the DCA Fixed Option, you must make an additional Purchase Payment of at least \$1,500 and allocate it to the DCA Fixed Option. Amounts you allocate to the DCA Fixed Option receive a fixed interest rate guaranteed by us. Each month while the program is in effect, we transfer Contract Value applied to the DCA program from the source Investment Option or DCA Fixed Option to your selected target Investment Options according to your allocation instructions.

We make DCA transfers on the tenth of the month, or the next Business Day if the tenth is not a Business Day. We must receive your DCA form in Good Order at our Service Center before the end of the Business Day that we process these transfers or your participation does not begin until next month.

Your participation ends on the earliest of the following:

- the number of requested transfers has been made;
- you do not have enough Contract Value in the source Investment Option or DCA Fixed Option to make the transfer (if less money is available, that amount is transferred and the program ends);
- you request to end the program (your request must be received at our Service Center before the end of the last Business Day immediately before the tenth to end that month); or
- your Contract ends.

4. VALUING YOUR CONTRACT

Your Rewards Value (the Contract Value plus any unvested bonus amounts) increases and decreases based on Purchase Payments, transfers, withdrawals, deduction of fees and charges, and your selected Investment Choices' performance.

We place Purchase Payments and bonus amount you allocate to the Investment Options into subaccounts under our Separate Account (Allianz Life Variable Account B). Each subaccount invests exclusively in one Investment Option. We use accumulation units to account for all amounts allocated to or withdrawn from each subaccount. If you request variable Annuity Payments during the Annuity Phase, we call this measurement an annuity unit.

ACCUMULATION UNITS

When we receive a Purchase Payment at our Service Center, we credit your Contract with accumulation units based on the Purchase Payment and bonus amount and daily price (accumulation unit value) for the subaccount of your selected Investment Option. A subaccount's accumulation unit value is based on the price (net asset value) of the underlying Investment Option. An Investment Option's net asset value is typically determined at the end of each Business Day, and any Purchase Payment received at or after the end of the current Business Day receives the next Business Day's price.

We arbitrarily set the initial accumulation unit value for each subaccount. On the Issue Date, the number of accumulation units in each subaccount was equal to the initial Purchase Payment and bonus amount allocated to a subaccount, divided by that subaccount's accumulation unit value.

Example

- On Wednesday, we receive at our Service Center an additional Purchase Payment of \$3,000 from you before the end of the Business Day.
- The bonus rate is 4% and you allocate the bonus to the same Investment Option as the Purchase Payment.
- When the New York Stock Exchange closes on that Wednesday, we determine that the accumulation unit value is \$13.25 for your selected Investment Option.

We then divide \$3,120 (\$3,000 Purchase Payment plus \$120 bonus amount) by \$13.25 and credit your Contract on Wednesday night with 235.47 subaccount accumulation units for your selected Investment Option.

At the end of each Business Day, we adjust the number of accumulation units in each subaccount as follows. Additional Purchase Payments, bonus amounts and transfers into a subaccount increase the number of accumulation units. Withdrawals, transfers out of a subaccount, and the deduction of any Contract charge other than the M&E charge decrease the number of accumulation units. The M&E charge reduces the accumulation unit value, not the number of accumulation units.

At the end of each Business Day for each subaccount, we multiply the accumulation unit value at the end of the prior Business Day by the percentage change in value of an Investment Option since the prior Business Day. The percentage change includes both the market performance of the Investment Option and the assessed M&E Charge.

COMPUTING REWARDS VALUE AND CONTRACT VALUE

We calculate your Rewards Value at the end of each Business Day by multiplying each subaccount's accumulation unit value by its number of accumulation units, and then adding those results together for all subaccounts. Additional Purchase Payments and bonus amounts increase your Rewards Value, withdrawals and Contract charges reduce your Rewards Value. Your Rewards Value on any given Business Day is determined at the end of the prior Business Day. For example, your Rewards Value on a Contract Anniversary reflects the number and value of the accumulation units at the end of the prior Business Day. Your Contract Value at the end of each Business Day is equal to the Rewards Value less the unvested bonus amounts.

GMIB Partial Annuitizations: If you take a GMIB Partial Annuitization, we reduce the Rewards Value and Contract Value by the percentage of PB Value applied to the GMIB Payments.

5. INVESTMENT OPTIONS

The following table lists this Contract's Investment Options and their associated investment advisers and subadvisers, investment objectives, and principle investment strategies. Depending on market conditions, you can gain or lose value by investing in the Investment Options. In the future, we may add, eliminate or substitute Investment Options to the extent permitted by the federal securities laws and, when required, the Securities & Exchange Commission. Certain Investment Options listed here may not be available to you as disclosed in the list of Investment Options at the front of this prospectus.

You should read the Investment Options' prospectuses carefully. The Investment Options invest in different types of securities and follow varying investment strategies. There are potential risks associated with each of these types of securities and investment strategies. The operation of the Investment Options and their various risks and expenses are described in the Investment Options' prospectuses. **You can obtain the current Investment Options' prospectus by contacting your Financial Professional or calling us at the toll-free telephone number listed at the back of this prospectus.**

The COVID-19 pandemic has at times led to significant volatility and negative returns in the financial markets. These market conditions have impacted the performance of the Investment Options, as well as the securities held by the Investment Options, and the interest rates we offer on the FPAs. If these market conditions continue, or reoccur, and depending on your individual circumstances (*e.g.*, your selected Investment Choices, and the timing of any Purchase Payments, transfers, or withdrawals), you may experience (perhaps significant) negative returns under the Contract. The COVID-19 pandemic and other market factors have resulted in an abnormally low interest rate environment, in which certain rates have gone negative. This low level of rates can affect the returns of an Investment Option, interest rates on the FPAs, other product features, and the performance of your Contract. The duration of the COVID-19 pandemic, and the future impact that the pandemic may have on the financial markets and global economy, cannot be foreseen. You should consult with a Financial Professional about how the COVID-19 pandemic and the recent market conditions may impact your future investment decisions related to the Contract, such as making Purchase Payments, transfers, or withdrawals, based on your individual circumstances.

Currently, the Investment Options are not publicly traded mutual funds. They are available only as investment options in variable annuity contracts or variable life insurance policies issued by life insurance companies or in some cases, through participation in certain qualified pension or retirement plans. A material conflict of interest may arise between insurance companies, owners of different types of contracts, and retirement plans or their participants. Each Investment Option's Board of Directors monitors for material conflicts, and determines what action, if any, should be taken to address any conflicts.

The names, investment objectives and policies of certain Investment Options may be similar to the names, investment objectives and policies of other portfolios managed by the same investment advisers. Although the names, objectives and policies may be similar, the Investment Options investment results may be higher or lower than these other portfolios' results. The investment advisers cannot guarantee, and make no representation, that these similar funds' investment results will be comparable even though the Investment Options have the same names, investment advisers, objectives, and policies.

Each Investment Option offered by the Allianz Variable Insurance Products Fund of Funds Trust (Allianz VIP Fund of Funds Trust) is a "fund of funds" and diversifies its assets by investing primarily in shares of several other affiliated mutual funds.

The Investment Options may pay 12b-1 fees to the Contracts' distributor, our affiliate, Allianz Life Financial Services, LLC, for distribution and/or administrative services. In addition, we may enter into certain arrangements under which we, or Allianz Life Financial Services, LLC, are compensated by the Investment Options' advisers, distributors and/or affiliates for administrative services and benefits we provide to the Investment Options. The compensation amount usually is based on the Investment Options' aggregate assets purchased through contracts we issue or administer. Some advisers may pay us more or less than others. The maximum service fee we currently receive from any variable investment option in any variable annuity contract we offer is 0.55% annually of the average aggregate amount invested by us in the Investment Options.

The Allianz VIP Fund of Funds Trust underlying funds do not pay 12b-1 fees or service fees to the Trust, and the Trust does not charge 12b-1 fees or service fees. The Allianz VIP Fund of Funds Trust underlying funds or their advisers may pay service fees to us and our affiliates for providing customer service and other administrative services to you. Service fees may vary depending on the underlying fund.

We offer other variable annuity contracts that may invest in these Investment Options. These contracts may have different charges and may offer different benefits more appropriate to your needs. For more information about these contracts, please contact our Service Center.

The following advisers and subadvisers are affiliated with us through common ownership: Allianz Investment Management LLC and Pacific Investment Management Company LLC.

INVESTMENT OPTIONS

Investment Management Company and Adviser/Subadviser	Investment Option Name	Asset Class	Investment Objective	Principal Investment Strategies (Normal market conditions)
ALLIANZ FUND OF FUNDS				
Allianz Investment Management LLC	AZL Balanced Index Strategy Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation with preservation of capital as an important consideration	Invests primarily in a combination of five underlying bond and equity index funds, to achieve a range generally from 40% to 60% of assets in the underlying equity index funds and 40% to 60% in the underlying bond index fund.
	AZL DFA Multi-Strategy Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation	Invests primarily in a combination of four underlying funds subadvised by Dimensional Fund Advisors LP, with approximately 60% of assets in the underlying equity funds and 40% in the underlying bond fund.
	AZL Moderate Index Strategy Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation	Invests primarily in a combination of five underlying bond and equity index funds, to achieve a range generally from 50% to 70% of assets in the underlying equity index funds and 30% to 50% in the underlying bond index fund.
	AZL MVP Balanced Index Strategy Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation with preservation of capital as an important consideration	Invests primarily (approximately 95%) in a combination of five underlying index funds (generally allocated 40% to 60% to underlying equity index funds and 40% to 60% to underlying bond index fund), combined with the MVP (Managed Volatility Portfolio) risk management process intended to adjust the risk of the portfolio based on quantitative indicators of market risk.

Investment Management Company and Adviser/Subadviser	Investment Option Name	Asset Class	Investment Objective	Principal Investment Strategies (Normal market conditions)
	AZL MVP Fusion Balanced Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation with preservation of capital as an important consideration	Invests primarily (approximately 95%) in a combination of underlying investments, to achieve a range generally from 40% to 60% of assets in equity funds and approximately 40% to 60% invested in fixed income funds, combined with the MVP (Managed Volatility Portfolio) risk management process intended to adjust the risk of the portfolio based on quantitative indicators of market risk.
	AZL MVP Fusion Conservative Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation with preservation of capital as an important consideration	Invests primarily (approximately 95%) in a combination of underlying investments, to achieve a range generally from 25% to 45% of assets in equity funds and approximately 55% to 75% invested in fixed income funds, combined with the MVP (Managed Volatility Portfolio) risk management process intended to adjust the risk of the portfolio based on quantitative indicators of market risk.
	AZL MVP Fusion Moderate Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation	Invests primarily (approximately 95%) in a combination of underlying investments, to achieve a range generally from 50% to 70% of assets in equity funds and approximately 30% to 50% invested in fixed income funds, combined with the MVP (Managed Volatility Portfolio) risk management process intended to adjust the risk of the portfolio based on quantitative indicators of market risk.
	AZL MVP Growth Index Strategy Fund	A "Fund of Funds" Model Portfolio	Long-term capital appreciation	Invests primarily (approximately 95%) in a combination of five underlying index funds (generally allocated 65% to 85% to underlying equity index funds and 15% to 35% to underlying bond index fund), combined with the MVP (Managed Volatility Portfolio) risk management process intended to adjust the risk of the portfolio based on quantitative indicators of market risk.
BLACKROCK				
Allianz Investment Management LLC/BlackRock Advisors, LLC	AZL Government Money Market Fund	Cash Equivalent	Current income consistent with stability of principal	Invests at least 99.5% of its total assets in cash, government securities, or repurchase agreements that are collateralized fully. Invests at least 80% in government securities or in repurchase agreements collateralized by government securities. Investments include U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations. In addition, the Fund may invest in variable and floating rate instruments. During extended periods of low interest rates, and due in part to contract fees and expenses, the yield of the AZL Government Money Market Fund may also become extremely low and possibly negative.
DIMENSIONAL				
Managed by Allianz Investment Management LLC/Dimensional Fund Advisors LP	AZL DFA Five-Year Global Fixed Income Fund	Global Bond	The Fund seeks to provide a market rate of return for a fixed income portfolio with low relative volatility of returns, and seeks to focus the eligible universe on securities with relatively less expected upward or downward movement in market value	Invests generally in a universe of U.S. and foreign debt securities maturing in five years or less. Under normal circumstances, the fund will invest at least 80% of its net assets in fixed income securities that mature within five years from the date of settlement

Investment Management Company and Adviser/Subadviser	Investment Option Name	Asset Class	Investment Objective	Principal Investment Strategies (Normal market conditions)
FIDELITY INSTITUTIONAL ASSET MANAGEMENT®				
Managed by Allianz Investment Management LLC/FIAM® LLC/Geode Capital Management, LLC	AZL Fidelity Institutional Asset Management® Multi-Strategy Fund	Specialty	High level of current income while maintaining prospects for capital appreciation	Approximately 60% of the Fund's assets will be managed by FIAM® LLC, which will invest primarily in investment-grade debt securities. Approximately 40% of the Fund's assets will be managed by Geode Capital Management, LLC which will invest primarily in the equities securities of large cap companies.
Managed by Allianz Investment Management LLC/ FIAM® LLC	AZL Fidelity Institutional Asset Management® Total Bond Fund	Intermediate-Term Bond	High level of current income	Invests at least 80% of its net assets in debt securities of all types and in instruments related to such securities, such as repurchase agreements on such securities, and uses the Barclays Capital U.S. Aggregate Bond Index as a guide in structuring the Fund.
GATEWAY				
Allianz Investment Management LLC/Gateway Investment Advisors, LLC	AZL Gateway Fund	Specialty	Capture equity market investment returns, while exposing investors to less risk than other equity investments	Normally invests in a broadly diversified portfolio of common stocks, while also selling index call options and purchasing index put options. May invest in companies with small, medium or large market capitalizations and in foreign securities traded in U.S. markets.
PIMCO				
Pacific Investment Management Company LLC	PIMCO VIT Global Core Bond (Hedged) Portfolio	Intermediate-Term Bonds	Total return, which exceeds that of its benchmark	At least 80% of its assets in fixed income instruments that are economically tied to at least three countries (one of which may be the United States), which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements.
	PIMCO VIT Total Return Portfolio	Intermediate-Term Bonds	Maximum total return, consistent with preservation of capital and prudent investment management	At least 65% of total assets in a diversified portfolio of fixed income instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements.

SUBSTITUTION AND LIMITATION ON FURTHER INVESTMENTS

We may substitute another Investment Option for one of your selected Investment Options, for any reason in our sole discretion. To the extent required by the Investment Company Act of 1940 or other applicable law, we do not substitute any shares without SEC approval and providing you notice. We may make substitutions with respect to your existing allocations, future Purchase Payment allocations, or both. New or substitute Investment Options may have different fees and expenses, and their availability may be limited to certain purchaser classes. We may limit further Investment Option allocations if marketing, tax or investment considerations warrant, or for any reason in our sole discretion. We may also close Investment Options to additional allocations. The fund companies that sell Investment Option shares to us, pursuant to participation agreements, may end those agreements and discontinue offering us their shares.

TRANSFERS BETWEEN INVESTMENT OPTIONS

You can make transfers between Investment Options, subject to the following restrictions. Currently there is no maximum number of transfers allowed, but we may change this in the future. Transfers may be subject to a transfer fee, see section 7, Expenses.

The following applies to any transfer.

- There is no minimum required transfer amount.
- Your request for a transfer must clearly state the Investment Options involved and how much to transfer.
- Your right to make transfers is subject to the Excessive Trading and Market Timing policy discussed later in this section.

- Contract Value transfers between Investment Options do not change your future Purchase Payment allocation instructions.

We process transfer requests based on prices next determined after we receive your request in Good Order at our Service Center. If we do not receive your transfer request before the end of the current Business Day, even if due to our delay in answering your call or a delay caused by our electronic systems, you receive the next Business Day's prices. For jointly owned Contracts, unless you require us to obtain signatures from both Joint Owners, we accept transfer instructions from any Joint Owner. We may also allow you to authorize someone else to request transfers on your behalf.

ELECTRONIC INVESTMENT OPTION TRANSFER AND ALLOCATION INSTRUCTIONS

We use reasonable procedures to confirm that electronic transfer and allocation instructions given to us are genuine. If we do not use such procedures, we may be liable for any losses due to unauthorized or fraudulent instructions. We record telephone instructions and log all fax, email and website instructions. We reserve the right to deny any transfer request or allocation instruction change, and to discontinue or modify our electronic instruction privileges at any time for any reason.

Please note that telephone, fax, email and/or the website may not always be available. Any electronic system, whether it is ours, yours, your service provider's, or your Financial Professional's, can experience outages or slowdowns for a variety of reasons, which may delay or prevent our processing of your transfer request or allocation instruction change. Although we have taken precautions to help our systems handle heavy use, we cannot promise complete reliability. If you are experiencing problems, you should submit your instructions in writing to our Service Center.

By authorizing electronic instructions, you authorize us to accept and act upon these instructions for your Contract. There are risks associated with electronic communications that do not occur with a written request. Anyone authorizing or making such requests bears those risks. You should protect your website password, because the website is available to anyone with your password; we cannot verify that the person providing instructions on the website is you, or is authorized by you.

EXCESSIVE TRADING AND MARKET TIMING

We may restrict or modify your right to make transfers to prevent any use that we consider to be part of a market timing program.

Frequent transfers, programmed transfers, transfers into and then out of an Investment Option in a short period of time, and transfers of large amounts at one time (collectively referred to as "potentially disruptive trading") may have harmful effects for other Owners, Annuitants and Beneficiaries. These risks and harmful effects include the following.

- Dilution of the interests of long-term investors in an Investment Option, if market timers or others transfer into an Investment Option at prices that are below their true value, or transfer out at prices above their true value.
- An adverse effect on portfolio management, such as causing an Investment Option to maintain a higher level of cash or causing an Investment Option to liquidate investments prematurely.
- Increased brokerage and administrative expenses.

We attempt to protect our Owners and the Investment Options from potentially disruptive trading through our excessive trading and market timing policies and procedures. Under these policies and procedures, we could modify your transfer privileges for some or all of the Investment Options. Unless prohibited by your Contract or applicable state law, we may:

- Limit transfer frequency (for example, prohibit more than one transfer a week, or more than two a month, etc.).
- Restrict the transfer method (for example, requiring all transfers be sent by first-class U.S. mail and rescinding electronic transfer privileges).
- Require a minimum time period between each transfer into or out of the same Investment Option. Our current policy, which is subject to change without notice, prohibits "round trips" within 14 calendar days. We do not include transfers into and/or out of the AZL Government Money Market Fund when available in your Contract. Round trips are transfers into and back out of the same Investment Option, or transfers out of and back into the same Investment Option.
- Refuse transfer requests made on your behalf by an asset allocation and/or market timing service.
- Limit the dollar amount of any single Purchase Payment or transfer request to an Investment Option.
- Prohibit transfers into specific Investment Options.
- Impose other limitations or restrictions to the extent permitted by federal securities laws.

We also reserve the right to reject any specific Purchase Payment allocation or transfer request from any person if in the investment adviser's, subadviser's or our judgment, an Investment Option may be unable to invest effectively in accordance with its investment objectives and policies.

Currently, we attempt to **deter** disruptive trading as follows. If a transfer(s) is/are identified as potentially disruptive trading, we may (but are not required to) send a warning letter. If the conduct continues and we determine it constitutes disruptive trading, we also impose transfer restrictions. Transfer restrictions may include refusing electronic transfers and requiring all transfers be sent by first-class U.S. mail. We do not enter into agreements permitting market timing and would not permit activities determined to be disruptive trading to continue. We also reserve the right to impose transfer restrictions if we determine, in our sole discretion, that transfers disadvantage other Owners. We notify you in writing if we impose transfer restrictions on you.

We do not include automatic transfers made under any of our programs or Contract features when applying our market timing policy.

We adopted these policies and procedures as a preventative measure to protect all Owners from the potential effects of disruptive trading, while also abiding by your legitimate interest in diversifying your investment and making periodic asset re-allocations based on your personal situation or overall market conditions. We attempt to protect your interests in making legitimate transfers by providing reasonable and convenient transfer methods that do not harm other Owners.

We may make exceptions when imposing transfer restrictions if we determine a transfer is appropriate, although it may technically violate our policies and procedures discussed here. In determining if a transfer is appropriate, we may, but are not required to, take into consideration its relative size, whether it was purely a defensive transfer into the AZL Government Money Market Fund, and whether it involved an error or similar event. We may also reinstate electronic transfer privileges after we revoke them, but we do not reinstate these privileges if we believe they might be used for future disruptive trading.

We cannot guarantee the following.

- Our monitoring will be 100% successful in detecting all potentially disruptive trading activity.
- Revoking electronic transfer privileges will successfully deter all potentially disruptive trading.

In addition, some of the Investment Options are available to other insurance companies and we do not know if they adopted policies and procedures to detect and deter potentially disruptive trading, or what their policies and procedures might be. Because we may not be completely successful at detecting and preventing market timing activities, and other insurance companies that offer the Investment Options may not have adopted adequate market timing procedures, there is some risk that market timing activity may occur and negatively affect other Owners.

We may, without prior notice to any party, take whatever action we deem appropriate to comply with any state or federal regulatory requirement. In addition, purchase orders for an Investment Option's shares are subject to acceptance by that Investment Option's manager. We reserve the right to reject, without prior notice, any Investment Option transfer request or Purchase Payment if the purchase order is rejected by the investment manager. We have entered into agreements required under SEC Rule 22c-2 (Rule 22c-2 agreements) whereby, upon request by an underlying fund or its designee, we must provide information about you and your trading activities to the underlying fund or its designee. Under the terms of the Rule 22c-2 agreements, we are required to: (1) provide details concerning every purchase, redemption, transfer, or exchange of Investment Options during a specified period; and (2) restrict your trading activity if the party receiving the information so requests. Under certain Rule 22c-2 agreements, if we fail to comply with a request to restrict trading activity, the underlying fund or its designee may refuse to accept buy orders from us until we comply.

Investment Options may add or change policies designed to restrict market timing activities. For example, Investment Options may impose restrictions on transfers between Investment Options in an affiliated group if the investment adviser to one or more of the Investment Options determines that the person requesting the transfer has engaged, or is engaging in, market timing or other abusive trading activities. In addition, an Investment Option may impose a short-term trading fee on purchases and sales within a specified period. You should review the Investment Options' prospectuses regarding any applicable transfer restrictions and the imposition of any fee to discourage short-term trading. The imposition of these restrictions would occur as a result of Investment Option restrictions and actions taken by the Investment Options' managers.

This Contract is not designed for professional market timing organizations, or other persons using programmed, large, or frequent transfers, and we may restrict excessive or inappropriate transfer activity.

We retain some discretion in determining what actions constitute potentially disruptive trading and in determining when and how to impose trading restrictions. Therefore, persons engaging in potentially disruptive trading may be subjected to some uncertainty as to when and how we apply trading restrictions, and persons not engaging in potentially disruptive trading may not know precisely what actions will be taken against a person engaging in potentially disruptive trading. For example, if we determine a person is engaging in potentially disruptive trading, we may revoke that person's electronic transfer privileges and require all future requests to be sent by first-class U.S. mail. In the alternative, if the disruptive trading affects only a single Investment Option, we may prohibit transfers into or Purchase Payment allocations to that Investment Option. We notify the person or entity making the potentially disruptive trade when we revoke any transfer privileges.

The retention of some level of discretion by us may result in disparate treatment among persons engaging in potentially disruptive trading, and it is possible that some persons could experience adverse consequences if others are able to engage in potentially disruptive trading practices that have negative effects.

FLEXIBLE REBALANCING PROGRAM

Your selected Investment Options' performance may cause the percentage of Contract Value in each Investment Option to change. Flexible rebalancing can help you maintain your selected allocation percentages. You can direct us to automatically adjust your Contract Value in the Investment Options on a quarterly, semi-annual or annual basis according to your instructions. We make flexible rebalancing transfers on the 20th of the month, or the prior Business Day if the 20th is not a Business Day. We must receive your flexible rebalancing program form in Good Order at our Service Center before the end of the Business Day before we rebalance, or your program does not begin until next month. If you participate in this program, there are no fees for the flexible rebalancing transfers and we do not currently count them as a free transfer. We reserve the right to discontinue or modify the flexible rebalancing program at any time and for any reason. To end this program, we must receive your request at our Service Center before the end of the last Business Day immediately before the 20th to end that month.

FINANCIAL ADVISER FEES

If you have an investment adviser and want to pay their fees from this Contract, you can submit a written request to our Service Center on a form satisfactory to us. If we approve your request, we withdraw the fee and pay it to your adviser.

We treat this fee payment as a withdrawal, which means a withdrawal charge, federal and state income taxes, and a 10% additional federal tax if you are under age 59 1/2 may apply. This withdrawal reduces the Contract Value and the amount available under the free withdrawal privilege by the amount withdrawn. It may also reduce the guaranteed death benefit value, the guaranteed value used to calculate GMIB Payments under the Enhanced GMIB for Original Contracts, and AIA and MAV used to calculate PB Value available under the PRIME Benefits for the May 2003 Contracts and May 2006 Contracts **by more than the amount withdrawn. These reductions could be significant.** If this is a Non-Qualified Contract, a withdrawal will be a taxable withdrawal to the extent that gain exists within the Contract. Financial adviser fees paid from an IRA will not be treated as a taxable withdrawal as long as the annuity contract is solely liable for the payment of the fee. You should consult a tax adviser regarding the tax treatment of adviser fee payments. ***Please consult with your Financial Professional before requesting us to pay financial adviser fees from this Contract compared to other assets you may have.***

Your investment adviser acts on your behalf, not ours. We are not party to any agreement between you and your financial adviser, nor are we responsible for your financial adviser's actions. We do not set your adviser's fee or receive any part of it. Any financial adviser fee you pay is in addition to this Contract's fees and expenses. You should ask your financial adviser about compensation they receive for this Contract. Allianz Life is not an investment adviser, and does not provide investment advice in connection with sales of the Contract. We are not a fiduciary to you, and do not make recommendations or assess suitability.

You can submit a written request to our Service Center on a form satisfactory to us to allow your adviser to make Investment Option transfers on your behalf. However, we reserve the right to review a financial adviser's trading history before allowing him or her to make transfers. If, in our sole discretion, we believe the adviser's trading history indicates excessive trading, we can deny your request. If we approve it, your financial adviser is subject to the same trading restrictions that apply to Owners. We can deny or revoke trading authority in our sole discretion.

VOTING PRIVILEGES

We legally own the Investment Option shares. However, when an Investment Option holds a shareholder vote that affects your investment, we ask you to give us voting instructions. We then vote all of our shares, including any we own on our

behalf, in proportion to those instructions. Because most Owners do not give us instructions and we vote shares proportionally, a small number of Owners may determine a vote's outcome. If we determine we no longer need to get your voting instructions, we will decide how to vote the shares. Only Owners have voting privileges. Annuitants, Beneficiaries, Payees and other persons have no voting privileges unless they are also Owners.

We determine your voting interest in an Investment Option as follows.

- You can provide voting instructions based on the dollar value of the Investment Option's shares in your Contract's subaccount. We calculate this value based on the number and value of accumulation/annuity units for your Contract on the record date. We count fractional units.
- You receive proxy materials and a voting instruction form.

6. OUR GENERAL ACCOUNT

Our general account holds all our assets other than our separate account assets. We own our general account assets and use them to support our insurance and annuity obligations, other than those funded by our separate accounts. These assets are subject to our general business operation liabilities, and may lose value. Subject to applicable law, we have sole investment discretion over our general account assets.

We have not registered our general account as an investment company under the Investment Company Act of 1940, nor have we registered our general account interests under the Securities Act of 1933. As a result, the SEC has not reviewed our general account prospectus disclosures.

The DCA Fixed Option is currently the only available general account investment choice during the Accumulation Phase. Any additional Purchase Payments you apply to the DCA Fixed Option, and Contract Value you apply to fixed Annuity Payments during the Annuity Phase becomes part of our general account. Any guaranteed values that are greater than Contract Value are subject to our claims paying ability and the priority rights of our other creditors.

As a result of the COVID-19 pandemic, economic uncertainties have arisen which are likely to negatively impact Allianz Life's net income and surplus. The extent to which the COVID-19 pandemic impacts our business (including our ability to timely process claims), net income, and surplus, as well as our capital and liquidity position, will depend on future developments, which are highly uncertain and cannot be estimated, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

7. EXPENSES

Contract fees and expenses reduce your investment return and are described here in detail.

SEPARATE ACCOUNT ANNUAL EXPENSES

We calculate and accrue the mortality and expense risk (M&E) charge and the administrative charge (together they are called the Separate Account annual expenses) at an annualized rate of the Investment Options' net asset value on each Business Day during the Accumulation Phase as follows.

	Separate Account Annual Expenses ⁽¹⁾ (as a percentage of each Investment Options' net asset value)
Original Contract without optional benefits	
Mortality and Expense Risk (M&E) Charge	1.50%
Administrative Charge	<u>0.15%</u>
Total	1.65%
Original Contract with Original Enhanced GMDB	
Original Contract with Traditional PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.20%</u>
Total	1.85%
Original Contract with Second Enhanced GMDB	
Original Contract with Enhanced GMIB and Traditional GMDB	
Additional M&E Charge	<u>0.30%</u>
Total	1.95%
Original Contract Traditional PRIME Benefit and Original Enhanced GMDB	
Additional M&E Charge	<u>0.40%</u>
Total	2.05%
Original Contract with Enhanced GMIB and Second Enhanced GMDB	
Additional M&E Charge	<u>0.50%</u>
Total	2.15%
Original Contract Enhanced PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.70%</u>
Total	2.35%
Original Contract with Enhanced PRIME Benefit and Original Enhanced GMDB	
Additional M&E Charge	<u>0.90%</u>
Total	2.55%

	Separate Account Annual Expenses ⁽¹⁾ (as a percentage of each Investment Options' net asset value)
May 2003 Contract without optional benefits	
May 2006 Contract without optional benefits	
Mortality and Expense Risk (M&E) Charge	1.55%
Administrative Charge	<u>0.15%</u>
Total	1.70%
May 2003 Contract with Traditional PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.20%</u>
Total	1.90%
May 2003 Contract with Third Enhanced GMDB	
May 2006 Contract with Third Enhanced GMDB	
Additional M&E Charge	<u>0.30%</u>
Total	2.00%
May 2003 Contract Traditional PRIME Benefit and Third Enhanced GMDB	
Additional M&E Charge	<u>0.45%</u>
Total	2.15%
May 2003 Contract with Enhanced PRIME Benefit and Traditional GMDB	
Additional M&E Charge	<u>0.70%</u>
Total	2.40%
May 2003 Contract Enhanced PRIME Benefit and Third Enhanced GMDB	
Additional M&E Charge	<u>0.90%</u>
Total	2.60%

	Additional M&E Charge (as a percentage of each Investment Options' net asset value)		Total Separate Account Annual Expenses ⁽¹⁾ (as a percentage of each Investment Options' net asset value)	
	Maximum	Current ⁽²⁾	Maximum	Current ⁽²⁾
May 2006 Contract with PRIME Plus Benefit and...				
Traditional GMDB	1.15%	0.70%	2.85%	2.40%
Third Enhanced GMDB	1.05%	0.60%	3.05%	2.60%

(1) Upon the death of the Owner, we continue to assess a Separate Account annual expense of either 1.65% for Original Contracts (a M&E charge of 1.50% and an administrative charge of 0.15%), or 1.70% for May 2003 Contracts and May 2006 Contracts (a M&E charge of 1.55% and an administrative charge of 0.15%) when paying the death benefit under death benefit payment Option B, or with variable Annuity Payments or optional payments under death benefit payment Option C, as noted in section 10, Death Benefit – Death Benefit Payment Options During the Accumulation Phase.

(2) We may increase additional M&E charge if you reset the 7% AIA.

If you select variable Traditional Annuity Payments during the Annuity Phase the Separate Account annual expense is either 1.65% for Original Contracts (a M&E charge of 1.50% and an administrative charge of 0.15%), or 1.70% for May 2003 Contracts and May 2006 Contracts (a M&E charge of 1.55% and an administrative charge of 0.15%). The Separate Account annual expenses reduce the net asset value that we use to calculate each subaccount's accumulation unit value during the Accumulation Phase, or each subaccount's annuity unit value during the Annuity Phase. The net asset value is the price of an underlying Investment Option. For more information on accumulation unit values, see the discussion in section 4, Valuing Your Contract. For more information on Annuity Payments, see the Annuity Payments section of the SAI.

The Contract allows Partial Annuitization. It is possible for part of your Contract to be in the Accumulation Phase with one Separate Account annual expense while another part is in the Annuity Phase with a different Separate Account annual expense. For example, if you have a May 2006 Contract with the Third Enhanced GMDB and request a variable Partial Annuitization, we reduce your accumulation unit value for the 2.00% Separate Account annual expense and we reduce

your annuity unit value for the 1.70% Separate Account annual expense. For more information, see section 9, The Annuity Phase – Partial Annuitization.

The M&E charge compensates us for providing all your Contract’s benefits, including our contractual obligation to make Annuity Payments and certain Contract and distribution expenses. The M&E charge also compensates us for assuming the expense risk that the current charges are less than future Contract administration costs as well as the cost of providing certain features under the Contract. If the M&E charge covers these costs and risks, any excess is profit to us. We anticipate making such a profit. The administrative charge, together with the contract maintenance charge (which is explained next), compensates us for all the expenses associated with the administration and maintenance of the Contracts.

CONTRACT MAINTENANCE CHARGE

Your annual contract maintenance charge is \$40. This charge is for Contract administration and maintenance expenses. We waive this charge as follows:

- During the Accumulation Phase if the total Rewards Value for all your RewardsSM Contracts is at least \$75,000 at the time we are to deduct the charge. We determine the total Rewards Value for all individually owned RewardsSM Contracts by using the Owner’s social security number, and for non-individually owned RewardsSM Contracts we use the Annuitant’s social security number.
- During the Annuity Phase if the Contract Value on the Income Date is at least \$75,000.
- When paying death benefits under death benefit payment options A, B, or C.

During the Accumulation Phase, we deduct the contract maintenance charge on a dollar for dollar basis from the Contract Value and Rewards Value determined at the end of the last Business Day before the Contract Anniversary. If you take a full withdrawal from your Contract (other than on a Contract Anniversary), we deduct the full contract maintenance charge. We do not treat the deduction of the contract maintenance charge as a withdrawal when computing any of your Contract’s guaranteed values. During the Annuity Phase, we deduct the contract maintenance charge proportionately from each Annuity Payment.

WITHDRAWAL CHARGE

You can take withdrawals from any part of the Contract that is in the Accumulation Phase. A withdrawal charge applies if any part of a withdrawal comes from a Purchase Payment that is still within the withdrawal charge period. We assess the withdrawal charge against the Withdrawal Charge Basis, which is equal to total Purchase Payments (not including any bonus), less any Purchase Payment withdrawn (excluding any bonus and any penalty-free withdrawals). We do not reduce the Withdrawal Charge Basis for any amounts we deduct to pay the withdrawal charge, transfer fee, or contract maintenance charge.

We do not assess a withdrawal charge on penalty-free withdrawals or amounts we deduct to pay Contract charges, including the withdrawal charge. Amounts withdrawn to pay investment adviser fees are subject to a withdrawal charge if they exceed the free withdrawal privilege. Penalty-free withdrawals include: GPWB Payments and Excess Withdrawals under the PRIME Plus Benefit that do not exceed the annual GPWB Maximum, withdrawals under the partial withdrawal privilege, and any amounts paid as part of a required minimum distribution.

For purposes of calculating any withdrawal charge, we withdraw Purchase Payments on a “first-in-first-out” (FIFO) basis and we process withdrawal requests as follows.

1. First, we withdraw from Purchase Payments that are beyond your Contract’s withdrawal charge period (for example, Purchase Payments that we have had for ten or more complete years). This withdrawal is not subject to a withdrawal charge and it reduces the Withdrawal Charge Basis.
2. Then, if this is a partial withdrawal, we withdraw from the partial withdrawal privilege (see section 8, Access to Your Money – Partial Withdrawal Privilege). This withdrawal is not subject to a withdrawal charge and it does not reduce the Withdrawal Charge Basis.
3. Next, on a FIFO basis, we withdraw from Purchase Payments within your Contract’s withdrawal charge period and assess a withdrawal charge. Withdrawing payments on a FIFO basis may help reduce the total withdrawal charge because the withdrawal charge declines over time. We determine your total withdrawal charge by multiplying each payments by its applicable withdrawal charge percentage and then totaling the charges. This withdrawal reduces the Withdrawal Charge Basis.

4. Finally, we withdraw any Contract earnings. We treat the bonuses and any of their earnings as earnings under the Contract for purposes of the withdrawal charge. This withdrawal is not subject to a withdrawal charge and it does not reduce the Withdrawal Charge Basis.

The withdrawal charge⁽¹⁾ as a percentage of each Purchase Payment withdrawn is as follows.

Number of Complete Years Since Purchase Payment	Withdrawal Charge Amount
0	8.5%
1	8.5%
2	8.5%
3	8.5%
4	8.0%
5	7.0%
6	6.0%
7	5.0%
8	4.0%
9	3.0%
10 years or more	0.0%

(1) For Contracts issued in Connecticut and New Jersey, the withdrawal charge is 8.5%, 8.5%, 8.0%, 7.0%, 6.0%, 5.0%, 4.0%, 3.0%, 2.0%, 1.0%, and 0.0% for the time periods referenced.

Upon a full withdrawal, we first deduct any applicable contract maintenance charge before we calculate the withdrawal charge. We deduct any applicable withdrawal charge from the total Contract Value and send you the remaining amount. For a partial withdrawal we deduct the amount you request, plus any applicable withdrawal charge from the total Contract Value and we pay you the amount you requested. For partial withdrawals, we deduct the charge from the remaining Rewards Value and we deduct it proportionately from your selected Investment Choices. If a partial withdrawal occurs on a day that we also assess the contract maintenance charge, we assess this charge after we deduct the withdrawal and any applicable withdrawal charge from the Contract Value.

The withdrawal charge compensates us for expenses associated with selling the Contract

Example: You purchased a May 2006 Contract with an initial Purchase Payment of \$30,000 and made another Purchase Payment in the first month of the second Contract Year of \$70,000. In the third month of the third Contract Year, your Contract Value is \$110,000 and you request a withdrawal of \$52,000. We withdraw money from and compute the withdrawal charge as follows.

- 1) **Purchase Payments beyond the withdrawal charge period.** All payments are still within the withdrawal charge period so this does not apply.
- 2) **Amounts available under the partial withdrawal privilege.** You have not taken any other withdrawals this year so you can withdraw up to 10% of your total payments (or \$10,000) without incurring a withdrawal charge.
- 3) **Purchase Payments on a FIFO basis.** The total amount we deduct from the first Purchase Payment is \$30,000, which is subject to an 8.5% withdrawal charge, and we pay you this entire amount. We determine the withdrawal charge on this amount as follows:

$$\$30,000 \times 0.085 = \$2,550$$

Next we determine how much we need to deduct from the second Purchase Payment. So far you received \$40,000 (\$10,000 under the partial withdrawal privilege and \$30,000 from the first Purchase Payment), so we would need to deduct \$12,000 from the second Purchase Payment to get you the \$52,000 you requested. The second Purchase Payment is also subject to an 8.5% withdrawal charge. We determine the withdrawal charge on this amount this amount as follows:

$$\$12,000 \times 0.085 = \$1,020$$

- 4) **Contract earnings.** We already withdrew your requested amount, so this does not apply.

In total we withdrew \$55,570 from your Contract, of which you received \$52,000 and paid a withdrawal charge of \$3,570.

Reduction or Elimination of the Withdrawal Charge

We may reduce or eliminate the withdrawal charge if the Contract was sold under circumstances that reduced its sales expenses. We will implement this withdrawal charge reduction or elimination in a nondiscriminatory manner. For example, if a large group of individuals purchased Contracts, or if a purchaser already had a relationship with us. We may choose not to deduct a withdrawal charge under a Contract issued to an officer, director, or employee of Allianz Life or any of its affiliates. Also, we may reduce or eliminate the withdrawal charge if a Contract was sold by a Financial Professional appointed with Allianz Life to any members of his or her immediate family and the Financial Professional waived their commission. We must pre-approve any withdrawal charge reduction or elimination.

- **We do not reduce the Withdrawal Charge Basis for penalty-free withdrawals or the deduction of Contract fees and expenses. This means that upon a full withdrawal, if your Contract Value is less than your remaining Purchase Payments that are still subject to a withdrawal charge we will assess a withdrawal charge on more than the amount withdrawn. This can occur because your Contract Value was reduced for:**
 - prior penalty-free withdrawals
 - deductions of Contract fees and expenses, and/or
 - poor performance.*This also means that upon a full withdrawal you may not receive any money.*
- **Withdrawals may have tax consequences and, if taken before age 59½, may be subject to a 10% additional federal tax. For tax purposes, in most instances, withdrawals from Non-Qualified Contracts are considered to come from earnings first, not Purchase Payments.**
- **Partial Annuitizations** reduce each Purchase Payment and the Withdrawal Charge Basis proportionately by the percentage of Contract Value or PB Value you annuitize.

COMMUTATION FEE FOR LIQUIDATIONS DURING THE ANNUITY PHASE

For Original Contracts and May 2003 Contracts issued before April 29, 2005, liquidations are only available if you take variable Traditional Annuity Payments under Annuity Option 2 or 4. For Original Contracts that allow variable Traditional Annuity Payments under Annuity Option 6 you can also take liquidations before the guaranteed period ends. Please refer to your Contract to verify if liquidations are available to you.

You can take withdrawals (“liquidations”) during the Annuity Phase before the guaranteed period ends if you meet the requirements described in Appendix B. Under Annuity Options 2, 4, and 6 a commutation fee applies to all liquidations. We assess the commutation fee against the amount liquidated as follows.

Liquidations under Annuity Option 2, 4, and 6	
Number of Complete Years Since Purchase Payment	Commutation Fee Amount
0	7%
1	6%
2	5%
3	4%
4	3%
5	2%
6 years or more	1%

We subtract the commutation fee from the amount you requested and send you the remaining amount.

We assess the commutation fee to cover lost revenue as well as internal costs incurred in conjunction with the liquidation.

TRANSFER FEE

The first twelve transfers every Contract Year are free. After that, we deduct a \$25 transfer fee for each additional transfer. We count all transfers made in the same Business Day as one transfer. The following do not count against the free transfers we allow and are not subject to a transfer fee: dollar cost averaging transfers, or flexible rebalancing transfers. The transfer fee continues to apply under death benefit payment Option B, and with variable Annuity Payments or optional payments under death benefit payment Option C as noted in section 10, Death Benefit – Death Benefit Payment Options During the Accumulation Phase.

Currently, we deduct this fee only during the Accumulation Phase, but we reserve the right to deduct it during the Annuity Phase. We deduct the transfer fee on a dollar for dollar basis from the Rewards Value determined at the end of the Business Day that we process the transfer request. If you are transferring from multiple Investment Choices, we deduct this fee proportionately from the Investment Choices from which the transfer is made. If you transfer the total amount in an Investment Choice, we deduct a transfer fee from the amount transferred. We do not treat the deduction of the transfer fee as a withdrawal when computing any of your Contract's guaranteed values.

PREMIUM TAX

Premium tax is based on your state of residence at the time you make each Purchase Payment. In states that assess a premium tax, we do not currently deduct it from the Contract, although we reserve the right to do so in the future. Premium tax normally ranges from 0% to 3.5% of the Purchase Payment, depending on the state or governmental entity.

INCOME TAX

Currently, we do not deduct any Contract related income tax we incur, although we reserve the right to do so in the future.

INVESTMENT OPTION EXPENSES

The Investment Options' assets are subject to operating expenses (including management fees). These expenses are described in the Fee Tables, and in the Investment Options' prospectuses. These expenses reduce the Investment Options' performance and, therefore, negatively affect your Contract Value and any guaranteed values or payments based on Contract Value. The Investment Options' provided us with the expense information in this prospectus and we did not independently verify it.

8. ACCESS TO YOUR MONEY

The money in your Contract is available under the following circumstances:

- by withdrawing your Contract Value;
- by taking required minimum distributions (Qualified Contracts only) as discussed in "Minimum Distribution Program and Required Minimum Distribution (RMD) Payments" later in this section;
- by taking GPWB Payments (if you have the PRIME Plus Benefit);
- by taking Annuity Payments; or
- when we pay a death benefit.

You can take withdrawals from any part of the Contract that is in the Accumulation Phase. We process withdrawal requests based on values next determined after receipt of the request in Good Order at our Service Center. Values are normally determined at the end of each Business Day. We process any withdrawal request received at or after the end of the current Business Day using values determined on the next Business Day.

Any partial withdrawal must be for at least \$500.* The Contract Value after a partial withdrawal must be at least \$10,000.* **We reserve the right to treat a partial withdrawal that reduces the Contract Value below this minimum as a full withdrawal.**

* Does not apply to GPWB Payments, systematic withdrawals, or required minimum distributions.

In the event that there are multiple bonuses applied to the Contract, we reduce the oldest unvested bonus amounts first. Partial withdrawals in excess of the partial withdrawal privilege reduce unvested bonus amounts by the excess amount's percentage of the Contract Value withdrawn. This percentage is determined by dividing the amount of the partial withdrawal (including any withdrawal charge) in excess of the partial withdrawal privilege amount by the Contract Value determined at the end of the Business Day (but before) the withdrawal.

When you take a full withdrawal, we process your request on the Business Day we receive it in Good Order at our Service Center as follows:

- total Contract Value determined at the end of the day,
- less any withdrawal charge, and
- less any contract maintenance charge.

See the Fee Tables and section 7, Expenses for a discussion of these charges.

We pay withdrawals within seven days of receipt of your request in Good Order at our Service Center, unless the suspension of payments or transfers provision is in effect (see the discussion later in this section).

- **Ordinary income taxes, tax penalties and certain restrictions may apply to any withdrawal you take.**
- **Joint Owners:** We send one check payable to both Joint Owners and we tax both Joint Owner's based on the age of the older Joint Owner.
- We may be required to provide information about you or your Contract to government regulators. We may also be required to stop Contract disbursements and thereby refuse any transfer requests, and refuse to pay any withdrawals, surrenders, or death benefits until we receive instructions from the appropriate regulator. If, pursuant to SEC rules, the AZL Government Money Market Fund suspends payment of redemption proceeds in connection with a fund liquidation, we will delay payment of any transfer, partial withdrawal, surrender, or death benefit from the AZL Government Money Market Fund subaccount until the fund is liquidated.

Example

- You purchased a Contract with an initial Purchase Payment of \$100,000, and receive a bonus of \$6,000.
- You request a \$50,000 partial withdrawal (not including the withdrawal charge) during the first Contract Year when the withdrawal charge is 8.5%. On the day of (but before) the partial withdrawal, your Contract Value is \$110,600, the Rewards Value is \$116,600, and your partial withdrawal privilege is \$10,000. Your bonus has not vested at all at this time.

Calculating the total withdrawal charge:

Amount requested that is subject to a withdrawal charge (amount requested minus the partial withdrawal privilege)	
= \$50,000 – \$10,000 =	\$40,000
Multiplied by the withdrawal charge percentage	x 0.085
Total withdrawal charge =	<u>\$ 3,400</u>

Reducing the Contract Value:

Contract Value on the day of (but before) the partial withdrawal	\$110,600
Minus the total amount withdrawn (amount requested plus the total withdrawal charge)	
= \$50,000 + \$3,400 =	– 53,400
Contract Value after the partial withdrawal	<u>\$ 57,200</u>

Reducing the unvested bonus:

Amount of the unvested bonus	\$ 6,000
Multiplied by the result of the total amount withdrawn, minus the partial withdrawal privilege, divided by the Contract Value on the day of (but before the partial withdrawal)	
= (\$53,400 – \$10,000) / \$110,600 =	x 0.392
Reduction in the unvested bonus due to the partial withdrawal	\$ 2,352
Unvested bonus after the partial withdrawal = \$6,000 – \$2,352 =	<u>\$ 3,648</u>

Reducing the Rewards Value:

Rewards Value on the day of (but before) the partial withdrawal	\$116,600
Minus the total amount withdrawn (amount requested plus the total withdrawal charge)	
= \$50,000 + \$3,400 =	– 53,400
Minus the reduction in the unvested bonus due to the partial withdrawal	– 2,352
Rewards Value after the partial withdrawal	<u>\$60,848</u>

PARTIAL WITHDRAWAL PRIVILEGE

Each Contract Year you can withdraw up to 10% of your total Purchase Payments (not including any bonus) without incurring a withdrawal charge (the partial withdrawal privilege). Any unused partial withdrawal privilege in one Contract Year is not added to the amount available next year.

Withdrawals of Purchase Payments that are beyond the withdrawal charge period are not subject to a withdrawal charge and do not reduce your partial withdrawal privilege. Required minimum distribution payments are not subject to a withdrawal charge, but do reduce your partial withdrawal privilege.

The partial withdrawal privilege is not available upon a full withdrawal or while you are receiving GPWB Payments.

SYSTEMATIC WITHDRAWAL PROGRAM

The systematic withdrawal program can provide automatic withdrawal payments to you. You can request to receive these withdrawal payments monthly, quarterly, semi-annually, or annually. However, if your Contract Value is less than \$25,000, we only make annual payments. The minimum amount you can withdraw under this program is \$100. However, there is no maximum on the amount you can withdraw under this program. We make systematic withdrawals on the ninth of the month, or the prior Business Day if the ninth is not a Business Day. We must receive your systematic withdrawal program form instructions in Good Order at our Service Center before the end of the Business Day before we process these withdrawals, or your program does not begin until the next month. This program ends at your request or when you withdraw your total Contract Value. However, we reserve the right to discontinue or modify the systematic withdrawal program at any time and for any reason.

- **During the withdrawal charge period, systematic withdrawals in excess of the partial withdrawal privilege are subject to a withdrawal charge.**
- **Ordinary income taxes and tax penalties may apply to systematic withdrawals.**
- **The systematic withdrawal program is not available while you are receiving required minimum distribution payments or GPWB Payments.**

MINIMUM DISTRIBUTION PROGRAM AND REQUIRED MINIMUM DISTRIBUTION (RMD) PAYMENTS

If you own an IRA or SEP IRA Contract, you can participate in the minimum distribution program during the Accumulation Phase. Under this program, we make payments to you designed to meet the applicable minimum distribution requirements imposed by the Internal Revenue Code for this Qualified Contract. RMD payments are not subject to a withdrawal charge, but they reduce the partial withdrawal privilege amount during the Contract Year. We can make payments to you on a monthly, quarterly, semi-annual or annual basis. However, if your Contract Value is less than \$25,000, we only make annual payments. You cannot aggregate RMD payments between this Contract and other qualified contracts that you own. We make RMD payments on the ninth of the month, or the prior Business Day if the ninth is not a Business Day. We must receive your program form instructions in Good Order at our Service Center before the end of the Business Day before we process these payments, or your program does not begin until the next month.

- **The minimum distribution program is not available while you are receiving systematic withdrawals or GPWB Payments.**
- **If you selected the PRIME Plus Benefit the GMIB may have limited usefulness if you have a Qualified Contract subject to a RMD.** If you do not exercise the GMIB on or before the date RMD payments must begin under a qualified plan, you may not be able to exercise the GMIB. You should consider whether the GMIB is appropriate for your situation if you plan to exercise the GMIB after your RMD beginning date.

WAIVER OF WITHDRAWAL CHARGE BENEFITS

The waiver of withdrawal charge benefits are not available to May 2003 Contracts or May 2006 Contracts, and may not be available in all states. For more information, please refer to your Contract.

We permit you to take money out of the Contract without deducting a withdrawal charge if any Owner becomes:

- confined to a nursing home or hospital for a period of at least 90 consecutive days, after the third Contract Year; or
- terminally ill, which is defined as life expectancy of 12 months or less (we require a full withdrawal of the Contract in this instance) after the first Contract year.

This waiver is not available if any Owner was confined to a nursing home or hospital on the Issue Date. We base this benefit on the Annuitant for non-individually owned Contracts.

Also, after the first Contract Year, if you become unemployed for a period of at least 90 consecutive days, you can take up to 50% of your Contract Value out of the Contract without incurring a withdrawal charge. This benefit is available only once during the life of the Contract. You may not use both this benefit and the partial withdrawal privilege in the same Contract Year. When the Contract is owned by a qualified plan, this waiver does not apply.

We must receive proof of confinement in Good Order for each withdrawal before we waive the withdrawal charge. Amounts withdrawn under this benefit are penalty-free withdrawals and do not reduce the Withdrawal Charge Basis.

SUSPENSION OF PAYMENTS OR TRANSFERS

We may be required to suspend or postpone transfers or payments for withdrawals* for any period when:

- the New York Stock Exchange is closed (other than customary weekend and holiday closings);
- trading on the New York Stock Exchange is restricted;
- an emergency (as determined by the SEC) exists as a result of which disposal of the Investment Option shares is not reasonably practicable or we cannot reasonably value the Investment Option shares; or
- during any other period when the SEC, by order, so permits for the protection of Owners.

* Including GPWB Payments.

We reserve the right to defer payment for a withdrawal or transfer from any general account Investment Choice for the period permitted by law, but not for more than six months.

9. THE ANNUITY PHASE

Prior to annuitization, you can surrender your Contract and receive your total Contract Value. Annuity Payments offer a guaranteed income stream with certain tax advantages and are designed for Owners who are not concerned with continued access to Contract Value.

You can apply your Contract Value to regular periodic annuity payments (Traditional Annuity Payments). If you selected the PRIME Plus Benefit you can also apply your PB Value to fixed annuity payments (GMIB Payments) as discussed in section 11. The Payee receives the Annuity Payments. You receive tax reporting on the payments, whether or not you are the Payee. We may require proof of the Annuitant(s)' age before we make any life contingent Annuity Payment. If you misstate the Annuitant(s)' age or gender, we pay the amount that would have been paid at the true age or gender.

ANNUITY PAYMENT OPTIONS

You can choose one of the Annuity Options described below or any other payment option to which we agree. After Annuity Payments begin, you cannot change the Annuity Option.

Option 1. Life Annuity. We make Annuity Payments during the life of the Annuitant, and the last payment is the one that is due before the Annuitant's death. If the Annuitant dies shortly after the Income Date, the Payee may receive less than your investment in the Contract.

Option 2. Life Annuity with Payments Over 10, 15 or 20 Years Guaranteed. We make Annuity Payments during the life of the Annuitant, with payments for a minimum guaranteed period that you select. If the Annuitant dies before the end of the guaranteed period, the Owner may instead take a lump sum payment.

Option 3. Joint and Last Survivor Annuity. We make Annuity Payments during the lifetimes of the Annuitant and the joint Annuitant. Upon the death of one Annuitant, Annuity Payments to the Payee continue during the lifetime of the surviving joint Annuitant at a level of 100%, 75% or 50% selected by the Owner when he or she chose this Annuity Payment option. If both Annuitants die shortly after the Income Date, the Payee may receive less than your investment in the Contract.

Option 4. Joint and Last Survivor Annuity with Payments Over 10, 15 or 20 Years Guaranteed. We make Annuity Payments during the lifetimes of the Annuitant and the joint Annuitant, with payments for a minimum guaranteed period that you select. If the last Annuitant dies before the end of the guaranteed period, the Owner may instead take a lump sum payment.

Option 5. Refund Life Annuity. We make Annuity Payments during the lifetime of the Annuitant, and the last payment is the one that is due before the Annuitant's death. After the Annuitant's death, the Payee may receive a lump sum refund. For a fixed payout, the amount of the refund equals the amount applied to this Annuity Option minus the total paid under this option. For variable Traditional Annuity Payments, your total refund is the sum of your selected Investment Options' refunds. Each Investment Option's refund is equal to the value of the difference of the annuity units applied to this Annuity Option and allocated to that Investment Option minus the total number of annuity units paid from that Investment Option. The dollar value of these annuity units fluctuates based on your selected Investment Options' performance.

Option 6. Specified Period Certain Annuity. We make Annuity Payments for a specified period of time you select, which must be a whole number of years from ten to 30.

- **Annuity Option 6 is generally only available for GMIB Payments. However, in Florida, it is also available for fixed Traditional Annuity Payments.**
- For Owners younger than age 59½, Annuity Payments under Annuity Option 6 may be subject to a 10% additional federal tax.

Under Annuity Options 1, 3, and 5, if all Annuitants die on or after the Income Date and before we send the first Annuity Payment, we will cancel Annuity Payments and upon receipt of a Valid Claim we will pay the amount applied to the selected Annuity Option to the surviving individual Owner, or the Beneficiary(s) if there is no surviving Owner. If the Owner is a non-individual, we pay the Owner.

After the Annuitant's death under Options 2 or 6, or the last surviving joint Annuitant's death under Annuity Option 4, we make Annuity Payments during the remaining guaranteed period in the following order based on who is still alive: the Payee, any surviving original Owner, the last surviving Owner's Beneficiaries, or to the last surviving Owner's estate if there are no remaining or named Beneficiaries.

Annuity Payments are usually lower if you select an Annuity Option that requires us to make more frequent Annuity Payments or to make payments over a longer period of time. If you choose life contingent Annuity Payments, payout rates for a younger Annuitant are lower than the payout rates for an older Annuitant and payout rates for life with a guaranteed period are typically lower than life only payments. Monthly payout rates are lower than annual payout rates, payout rates for a 20-year guaranteed period are less than payout rates for a 10-year guaranteed period, and payout rates for a 50-year-old Annuitant are less than payout rates for a 70-year-old Annuitant.

- **If you do not choose an Annuity Option before the Income Date, we make variable Traditional Annuity Payments to the Payee under Annuity Option 2 with ten years of guaranteed monthly payments.**
- **For Contracts issued in Oregon selecting variable Traditional Annuity Payments under Annuity Option 2 or 4: You may be able to take withdrawals ("liquidations") during the Annuity Phase as described in Appendix B.**

CALCULATING YOUR TRADITIONAL ANNUITY PAYMENTS

We base Traditional Annuity Payments upon the following:

- The Contract Value on the Income Date.
- Whether you request fixed payments, variable payments, or a combination of both fixed and variable Traditional Annuity Payments.
- The age of the Annuitant and any joint Annuitant on the Income Date.
- The gender of the Annuitant and any joint Annuitant, where permitted.
- The Annuity Option you select.
- Your Contract's mortality table.

We guarantee the dollar amount of fixed Traditional Annuity Payments and this amount does not change during the entire annuity payout option period that you selected, except as provided under Annuity Option 3. Variable Annuity Payments are not predetermined and the dollar amount changes with your selected Investment Options' investment experience.

VARIABLE OR FIXED TRADITIONAL ANNUITY PAYMENTS

You can request Traditional Annuity Payments under Annuity Options 1-6 as:

- a variable payout,
- a fixed payout, or
- a combination of both.

After the Income Date, you cannot make a transfer from a fixed Traditional Annuity Payment stream to variable, but you can transfer from a variable Traditional Annuity Payment stream and establish a new fixed Traditional Annuity Payment stream.

We base fixed Traditional Annuity Payments on your Contract's interest rate and mortality table or current rates, if higher.

The dollar amount of variable Traditional Annuity Payments depends on the assumed investment rate (AIR) and your selected Investment Options' performance. The AIR is 5%. We may agree with you to use a different value, however, the AIR cannot exceed 7%. Using a higher AIR results in a higher initial variable Traditional Annuity Payment, but future payments increase more slowly and decrease more rapidly. If your Investment Options' actual performance exceeds your selected AIR, variable Traditional Annuity Payments increase. Similarly, if the actual performance is less than your selected AIR, variable Traditional Annuity Payments decrease.

If you choose a variable payout, you can invest in up to 15 Investment Options. We may change this in the future, but we will always allow you to invest in at least five Investment Options. If you do not instruct us, we base variable Traditional Annuity Payments on the allocation instructions that are in effect on the Income Date. Currently, we require your initial Traditional Annuity Payment to be \$100 or more.

The 7% AIR is not available in all states. For more information, please refer to your Contract.

WHEN ANNUITY PAYMENTS BEGIN

Annuity Payments begin on the Income Date. Your scheduled Income Date is the first day of the calendar month following the later of: a) the Annuitant's 90th birthday, or b) the tenth Contract Anniversary and is stated in your Contract. An earlier Income Date or a withdrawal may be required to satisfy minimum required distribution rules under certain Qualified Contracts. ***You can make an authorized request for a different, earlier or later Income Date, but any such request is subject to applicable law and our approval.*** An earlier or later Income Date may not be available to you depending on the Financial Professional you purchased your Contract through and your state of residence. Your Income Date must be the first day of a calendar month at least three years after the Issue Date. The Income Date cannot be later than what is permitted under applicable law. If you selected the PRIME Plus Benefit, your Income Date must be within 30 days following a Contract Anniversary beginning ten Contract Years after the later of the rider effective date, or the date of any 7% AIA reset (and certain other conditions must also be met as discussed in section 11).

If on the Income Date your Contract Value is greater than zero, you must take a Full Annuitization. We notify you of your available options in writing 60 days in advance, including the option to extend your Income Date if available. If on your Income Date you have not selected an Annuity Option, we make variable payments under Annuity Option 2 with ten years of guaranteed monthly payments. Upon Full Annuitization you no longer have Contract Value or a death benefit, and you cannot receive any other periodic withdrawals or payments other than Annuity Payments.

PARTIAL ANNUITIZATION

Only a sole Owner can take Partial Annuitizations under Annuity Options 1, 2, or 5. The Owner must be the Annuitant and we do not allow joint Annuitants. We allow you to annuitize less than your total Contract Value in a Partial Annuitization. GMIB Partial Annuitizations are only available before GPWB Payments begin, and the PB Value must be greater than the Contract Value. If you take a Partial Annuitization, your Contract is in both the Accumulation and Annuity Phases at the same time. We allow one Partial Annuitization every twelve months, up to a maximum of five. If you have four Partial Annuitizations and want a fifth, you must take a Full Annuitization of the total remaining Contract Value. You cannot add Contract Value to the part of a Contract that has been partially annuitized, or transfer values that have been partially annuitized to any other part of the Contract. If you take variable Traditional Annuity Payments under a Partial Annuitization, any Investment Option transfer instructions you give us apply equally to the accumulation and annuitization portions of the Contract. You cannot make Investment Option transfers selectively within different portions of the Contract. Partial Annuitizations are not subject to a withdrawal charge (if applicable), but they decrease the Contract Value, Withdrawal Charge Basis, and any of your Contract's guaranteed values (such as the PB Value under the PRIME Plus Benefit, or the guaranteed death benefit value under your selected death benefit).

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- **GMIB Partial Annuitizations:** If you take a GMIB Partial Annuitization, we reduce each Purchase Payment, the Rewards Value, the Contract Value, and the guaranteed death benefit value by the percentage of PB Value applied to the GMIB Payments.
 - A Partial Annuitization on a Non-Qualified Contract receives the same income tax treatment as a Full Annuitization. However, this income tax treatment does not apply to a Partial Annuitization on a Qualified Contract. You should consult a tax adviser before requesting a Partial Annuitization.
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10. DEATH BENEFIT

“You” in this section refers to the Owner, or the Annuitant if the Contract is owned by a non-individual. The Contract provided the Traditional GMDB. When you purchased this Contract, you could instead have selected an Enhanced GMDB.

The death benefit is only available during the Accumulation Phase. Bonus amounts do not become part of the guaranteed death benefit value that is based on Contract Value until they are vested, and the bonus is not part of the guaranteed death benefit value that is based on Purchase Payments. If you die during the Accumulation Phase, we process the death benefit using prices determined after we receive a Valid Claim. If we receive a Valid Claim after the end of the current Business Day, we use the next Business Day’s prices.

If there are multiple Beneficiaries, each Beneficiary receives the portion of the death benefit he or she is entitled to when we receive his or her Valid Claim. Unless you instruct us to pay Beneficiaries a specific percentage of the death benefit, he or she each receives an equal share.

Each Beneficiary’s portion of the death benefit remains in the Investment Choices based on the allocation instructions that were in effect on the date of death until we receive his or her Valid Claim and we either pay the claim or the Beneficiary provides alternate allocation instructions. From the time we determine the death benefit until we make a complete distribution, any amount in the Investment Options continues to be subject to investment risk that is borne by the recipient(s). Once we receive notification of death, we may no longer accept or process transfer requests. After we receive the first Valid Claim from any Beneficiary we also will not accept additional Purchase Payments or allow any partial or full withdrawals unless the withdrawal is required to comply with federal tax law.

Upon your death, your Beneficiary(s) will receive the death benefit. The death benefit is the greater of the Contract Value (including any vested bonus amounts), or the guaranteed death benefit value.

If you selected the Traditional GMDB, the guaranteed death benefit value is total Purchase Payments received (not including any bonus) adjusted for withdrawalw (see the GMDB adjusted partial withdrawal formula later in this section).

Original Contracts offered the Original Enhanced GMDB, which was replaced by the Second Enhanced GMDB beginning September 27, 2002. The Original Enhanced GMDB and Second Enhanced GMDB are discussed in Appendix F. May 2003 Contracts and May 2006 Contracts offered the Third Enhanced GMDB.

If you have a May 2003 Contract or May 2006 Contracts and selected the Third Enhanced GMDB, the guaranteed death benefit value is the greater of:

- the 3% Annual Increase Amount (3% AIA), or
- the Maximum Anniversary Value (MAV).

For a sole Beneficiary, we determine the guaranteed death benefit value at the end of the Business Day during which we receive a Valid Claim. For multiple Beneficiaries, each surviving Beneficiary receives the greater of their portion of guaranteed death benefit value determined at the end of the Business Day we receive the first Valid Claim from any one Beneficiary, or their portion of the Contract Value (including any vested bonus) determined at the end of the Business Day during which we receive his or her Valid Claim.

Withdrawals include all withdrawals (even penalty-free withdrawals) and any withdrawal charges, any vested bonus, and Partial Annuitizations; but not amounts we withdraw for the transfer fee, or contract maintenance charge. Withdrawals may reduce the guaranteed death benefit value by more than the amount withdrawn or annuitized.

3% Annual Increase Amount (3% AIA)

The 3% AIA was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date.

At the end of each Business Day, we adjust the 3% AIA as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it for each partial withdrawal (see the GMDB adjusted partial withdrawal formula later in this section).

On each Contract Anniversary before the end date, we increase the 3% AIA determined at the end of prior Business Day (after deduction of all Contract fees and expenses) by 3%. However, we limit this increase to 1.5 times your total

Purchase Payments received (not including any bonus) reduced for each partial withdrawal (see the GMDB adjusted partial withdrawal formula later in this section). On and after the end date, we no longer apply the 3% increase.

Maximum Anniversary Value (MAV)

The MAV was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date.

At the end of each Business Day, we adjust the MAV as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it for each partial withdrawal (see the GMDB adjusted partial withdrawal formula later in this section).

On each Contract Anniversary before the end date, we compare the MAV to the Contract Value (including any vested bonus) using values determined at the end of prior Business Day (after deduction of all Contract fees and expenses) and increase the MAV to equal this Contract Value if it is greater. On and after the end date, we no longer make this comparison and you will no longer receive lock ins of any annual investment gains.

The end date for the 3% AIA and MAV

The end date occurs on the earliest of:

- the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual),
- the date GPWB Payments begin, or
- the end of the Business Day we receive the first Valid Claim from any one Beneficiary.

GMDB Adjusted Partial Withdrawal Formula for the Traditional GMDB and Third Enhanced GMDB

At the end of each Business Day, withdrawals reduce the guaranteed death benefit value by the percentage of:

- Contract Value (including any vested bonus) withdrawn (including GPWB Payments, Excess Withdrawals, and any withdrawal charge) or applied to a traditional Partial Annuitization, or
- PB Value applied to a GMIB Partial Annuitization if you have a PRIME Benefit.

FOR CONTRACTS WITH A PRIME BENEFIT: If you take GPWB Payments, the guaranteed death benefit value no longer increases and it reduces with each GPWB Payment and Excess Withdrawal. Your Contract Value also decreases with each GPWB Payment and Excess Withdrawal, which reduces the likelihood of locking in investment gains to the MAV. Also, the additional M&E charge associated with the Third Enhanced GMDB continues until the death benefit ends.

Please see Appendix E for examples of calculations of the death benefit.

WHEN THE DEATH BENEFIT ENDS

The death benefit end upon the earliest of the following.

- The Business Day before the Income Date that you take a Full Annuitization.
- The Business Day that the guaranteed death benefit value and Contract Value are both zero.
- When the Contract ends.

DEATH OF THE OWNER AND/OR ANNUITANT

Appendix A to the SAI includes tables that are intended to help you better understand what happens upon the death of any Owner and/or Annuitant under the different portions of the Contract.

DEATH BENEFIT PAYMENT OPTIONS DURING THE ACCUMULATION PHASE

If you do not designate a death benefit payment option, a Beneficiary must select one of the options listed below. If a Beneficiary requests a lump sum payment under Option A, we pay that Beneficiary within seven days of receipt of his or her Valid Claim, unless the suspension of payments or transfers provision is in effect. Payment of the death benefit may be delayed, pending receipt of any state forms.

Spousal Continuation: If the Beneficiary is the deceased Owner's spouse, he or she can choose to continue the Contract with the portion of the death benefit the spouse is entitled to in his or her own name. For an IRA, Roth IRA, or SEP IRA Contract, spousal continuation can only occur if the surviving spouse is the Contract's sole primary Beneficiary. For non-individually owned Contracts, spousal continuation is only available to Qualified Contracts through a direct rollover to an IRA. **Spouses must qualify as such under federal law to continue the Contract.** Individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not considered to be a marriage under

state law are also not considered to be married under federal law. An election by the spouse to continue the Contract must be made on the death claim form before we pay the death benefit. If the surviving spouse continues the Contract, at the end of the Business Day we receive his or her Valid Claim, we increase the Contract Value to equal the guaranteed death benefit value if greater. The guaranteed death benefit value is total Purchase Payments (not including any bonus) adjusted for withdrawals if the Traditional GMDB applies; the MAV if the Original Enhanced GMDB applies; or the AIA or MAV if the Second or Third Enhanced GMDBs apply. We allocate any Contract Value increase to the Investment Options according to future Purchase Payment allocation instructions.

If the surviving spouse continues the Contract:

- he or she becomes the new Owner and may exercise all of the Owner's rights, including naming a new Beneficiary or Beneficiaries; and
- he or she is subject to any remaining withdrawal charge.

Death Benefit Payment Options

Option A: Lump sum payment of the death benefit.

Option B: Payment of the entire death benefit within five years of the date of any Owner's death. The Beneficiary can continue to make transfers between Investment Options and is subject to a transfer fee, and a Separate Account annual expense of either 1.65% for Original Contracts, or 1.70% for May 2003 Contracts and May 2006 Contracts. Any unvested bonus will continue to vest. At the end of the fifth year, any remaining death benefit is paid in a lump sum.

Option C: If the Beneficiary is an individual, payment of the death benefit as traditional Annuity Payments under an Annuity Options 1, 2, or 5 as described under "Annuity Payment Options" in section 9. **GMIB Payments are not available under this option.** With our written consent other options may be available for payment over a period not extending beyond the Beneficiary's life expectancy, and any unvested bonus will continue to vest. Under this payment option, and with variable Traditional Annuity Payments, the Beneficiary can continue to make transfers between Investment Options and is subject to a transfer fee, and a Separate Account annual expense of either 1.65% for Original Contracts, or 1.70% for May 2003 Contracts and May 2006 Contracts. *Option C may not be available on a Qualified Contract.*

Distribution from Non-Qualified Contracts must begin within one year of the date of the Owner's death. Any portion of the death benefit from Non-Qualified Contracts not applied to Traditional Annuity Payments within one year of the date of the Owner's death must be distributed within five years of the date of death.

If a Non-Qualified Contract is owned by a non-individual, then we treat the death of an Annuitant as the death of an Owner for purposes of the Internal Revenue Code's distribution at death rules, which are set forth in Section 72(s) of the Code.

In all events, notwithstanding any provision to the contrary in the Contract or this prospectus, a Non-Qualified Contract is interpreted and administered in accordance with Section 72(s) of the Internal Revenue Code.

Other rules may apply to Qualified Contracts, such as all distributions must be made to Beneficiaries by the end of the tenth year after the Owner's death, except for distributions made to certain eligible designated Beneficiaries.

11. PROTECTED RETIREMENT INCOME MADE EASY(PRIME) PLUS BENEFIT

PRIME Plus Benefit was available from May 1, 2006 through June 30, 2010. PRIME Plus Benefit has an additional M&E charge that we assess during the Accumulation Phase as discussed in the Fee Tables and section 7, Expenses – Separate Account Annual Expenses.

We designed PRIME Plus Benefit for Owners who want flexibility in the way they turn accumulated retirement assets into a stream of fixed retirement income and can wait at least ten years before taking income. PRIME Plus Benefit includes a Guaranteed Minimum Income Benefit (GMIB) and a Guaranteed Partial Withdrawal Benefit (GPWB). The GMIB provides a guaranteed minimum fixed income in the form of Annuity Payments (GMIB Payments). Depending on the Annuity Option you select, the GMIB can provide guaranteed lifetime income, but if the Annuitant(s) die shortly after the Income Date the Payee may receive less than your investment in the Contract. GPWB provides a guaranteed minimum amount of income in the form of partial withdrawals (GPWB Payments). However, GPWB Payments are not guaranteed for life and you could outlive your payment stream.

REMOVING PRIME PLUS BENEFIT FROM YOUR CONTRACT

You can remove PRIME Plus Benefit from your Contract before GMIB Payments or GPWB Payments begin by completing the appropriate form. We process your request on the Contract Anniversary (or the next Business Day if the Contract Anniversary is not a Business Day) that occurs immediately after we receive your request in Good Order at our Service Center, and the rider removal date is that Contract Anniversary. Your request is in Good Order if we receive this form no earlier than 30 days before the Contract Anniversary and no later than before the end of the last Business Day before the Contract Anniversary. If we receive your request outside this time period, we ask to you resubmit it for the next Contract Anniversary. If you remove PRIME Plus Benefit from your Contract, we no longer assess the additional M&E charge for this benefit as of the rider termination date. Because the total Separate Account annual expense changes, we adjust the number of accumulation units so that the Rewards Value on the rider termination date remains the same. Because the performance of the Investment Options causes the accumulation unit values to fluctuate, the adjustment to the number of accumulation units may be positive or negative.

Although you cannot remove PRIME Plus Benefit from your Contract after you exercise GPWB or GMIB, you can end GPWB by:

- taking an Excess Withdrawal of the total Contract Value, or
- requesting a Full Annuitization.

Although you can elect to stop GPWB Payments and end the GPWB, you cannot elect to stop GMIB Payments after they have begun.

PRIME PLUS BENEFIT OVERVIEW

The GPWB guarantees a minimum amount of income in the form of partial withdrawals during the Accumulation Phase. You can select either a 5% payment option that provides the potential for payment increases (or “step ups”), or a 10% payment option where payments are fixed. We base your initial GPWB Payment on the payment option you select and the PB Value. The GPWB Maximum is the amount you are entitled to receive each year, but you can choose to take less.

On the date GPWB Payments begin if you select the 5% payment option the PB Value is the greatest of:

- A 7% annual increase on Purchase Payments (not including any bonus) received in the first five rider years adjusted for withdrawals (7% Annual Increase Amount or 7% AIA). Each Contract Anniversary before the older Owner’s 80th birthday you can reset 7% AIA to equal the Contract Value (including any vested bonus), if greater. The 7% AIA is subject to a maximum of two times Purchase Payments (not including any bonus) received in the first five Contract Years (the AIA Cap).
- The Maximum Anniversary Value (MAV).
- The Contract Value (including any vested bonus) as of the prior Contract Anniversary.

If instead you select the 10% payment option, the PB Value is the greater of the MAV, or Contract Value as of the prior Contract Anniversary.

The GMIB guarantees a minimum amount of fixed Annuity Payments during the Annuity Phase based on PB Value and the guaranteed fixed payout rates stated in your Contract, which use a 1% interest rate. You can take GMIB Payments

under a Full Annuitization, or as Partial Annuitization(s) before GPWB Payments begin if PB Value is greater than Contract Value.

On the date GMIB Payments begin if the MAV is greater than the 7% AIA, the PB Value is the MAV.

If the 7% AIA is greater than the MAV you can decide whether to set the PB Value equal to the 7% AIA or MAV. However, **the 7% AIA is only available if you select Annuity Options 2, or 4.** Different Annuity Options can provide higher or lower GMIB Payments. Because the 7% AIA is only available under Annuity Options 2 and 4, it is possible that an Annuity Option other than 2 or 4, combined with a lower MAV, could result in a higher GMIB Payment. ***In this instance, you can compare GMIB Payments available with both the 7% AIA and MAV, and choose the Annuity Option that you feel is most appropriate.***

PB VALUE

We base GPWB Payments and/or GMIB Payments on the PB Value. **Bonus amounts do not become part of the PB Value that is based on Contract Value until they are vested, and the bonus is not part of the PB Value that is based on Purchase Payments.**

On the Rider Effective Date, and on each Business Day before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization, the PB Value includes the 7% AIA and MAV.

If you request GPWB Payments, on the date payments begin the PB Value is as follows.

5% payment option the PB Value is the greater of....	10% payment option the PB Value is the greater of....
<ul style="list-style-type: none"> • 7% AIA determined at the end of the prior Business Day, • the MAV determined at the end of the prior Business Day, or • the Contract Value as of the prior Contract Anniversary. 	<ul style="list-style-type: none"> • the MAV determined at the end of the prior Business Day, or • the Contract Value as of the prior Contract Anniversary.
<p>We compute the the Contract Value on the prior Contract Anniversary as follows:</p> <ul style="list-style-type: none"> • Contract Value (including any vested bonus) determined at the end of the last Business Day before the prior Contract Anniversary, • less any withdrawals or amounts applied to a traditional Partial Annuitization taken since that date, and • reduced proportionately by the percentage of MAV or 7% AIA applied to any GMIB Partial Annuitization taken since that date. 	

After the date GPWB Payments begin:

- We no longer calculate the 7% AIA or the MAV.
- The PB Value only increases if you select the 5% payment option and receive a payment step up. On the Contract Anniversary that you receive a step up, we compare the PB Value to the Contract Value (including any vested bonus) using the values determined at the end of the prior Business Day and increase the PB Value to equal this Contract Value if greater.
- The PB Value decreases on a dollar for dollar basis for withdrawals (GPWB Payments and Excess Withdrawals) in a Contract Year that do not exceed the annual GPWB Maximum.
- The PB Value decreases proportionately by the percentage of Contract Value withdrawn, including any vested bonus and withdrawal charge, for each withdrawal (GPWB Payment and Excess Withdrawal) in a Contract Year that exceeds the annual GPWB Maximum.

If you request GMIB Payments, on the Income Date that payments begin if the MAV is greater than the 7% AIA (using the values determined at the end of the prior Business Day), the PB Value is the MAV. If the 7% AIA is greater than the MAV you can decide whether to set the PB Value equal to the 7% AIA or MAV. However, **the 7% AIA is only available if you select Annuity Option 2, or 4.** If you take a GMIB Partial Annuitization, we continue to calculate the 7% AIA and MAV but they will decrease because of the Partial Annuitization. If you take a GMIB Full Annuitization, we no longer calculate the 7% AIA or the MAV on or after the Income Date.

- **GMIB FULL ANNUITIZATION:** There may be situations where the PB Value is greater than the Contract Value (including any vested bonus), but the GMIB Payments are less than fixed Traditional Annuity Payments based on the Contract Value. This may occur because the guaranteed fixed payout rates available with GMIB may be less than the current fixed payout rates that are otherwise available under Traditional Annuity Payments. We base your Annuity Payments on whichever amount (PB Value or Contract Value) produces the greater payment. ***If the Traditional***

Annuity Payments are greater than the GMIB Payments, you will have paid for the benefit without receiving the advantages of the GMIB.

- Please see Appendix C for examples of the calculations of the PB Value.

7% ANNUAL INCREASE AMOUNT (7% AIA)

While the PRIME Plus Benefit is in effect, we only calculate the 7% AIA before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization.

If the rider effective date was the Issue Date, the 7% AIA was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date. If the rider effective date was after the Issue Date, or if you reset the 7% AIA, on the rider effective date or reset anniversary it was equal to the Contract Value (including any vested bonus) at the end of the prior Business Day.

At the end of each Business Day, we adjust the 7% AIA as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- If you take a GMIB Partial Annuitization based on the:
 - 7% AIA, we reduce it by the dollar amount applied to GMIB Payments.
 - MAV, we reduce it by the percentage of MAV applied to GMIB Payments.

On the first five Contract Anniversaries that occur after the rider effective date (or the reset anniversary) and before the end date, we increase the 7% AIA determined at the end of the prior Business Day (after deduction of all Contract fees and expenses) by 7%.

On the sixth and later Contract Anniversaries that occur after rider effective date (or the reset anniversary) and before the end date, we set the 7% AIA equal to the sum of a) plus b) where:

- a) is all Purchase Payments (not including any bonus) received on or after the later of the fifth Contract Anniversary or the reset anniversary.
- b) is the difference of i) minus ii) with the result increased by 7% where:
 - i) is the 7% AIA determined at the end of the prior Business Day, and
 - ii) is all Purchase Payments (not including any bonus) received on or after the later of the fifth Contract Anniversary or the reset anniversary.

On and after the end date, we no longer apply the 7% increase, or set the 7% equal to the sum of a) plus b). The end date is the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual).

AIA Cap

The 7% AIA cannot be greater than the AIA Cap. If the rider effective date was the Issue Date, the AIA cap was initially equal to two times the initial Purchase Payment (not including any bonus) received on the Issue Date. If the rider effective date was after the Issue Date, or if you reset the 7% AIA, on the rider effective date or reset anniversary it was initially equal to two times the Contract Value (including any vested bonus) at the end of the prior Business Day.

At the end of each Business Day before the fifth Contract Anniversary, we adjust the AIA Cap as follows.

- We increase it by two times any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- We reduce it proportionately by the percentage of the PB Value applied to a GMIB Partial Annuitization.

Beginning on the fifth Contract Anniversary, the 7% AIA cap no longer increases unless you reset the 7% AIA, but it does decrease if you take a partial withdrawal or Partial Annuitization in the same way that it does on each Business Day before the fifth Contract Anniversary.

7% AIA Resets

On each Contract Anniversary before the end date, you can reset the 7% AIA to equal the Contract Value (including any vested bonus) if the Contract Value (including any vested bonus) is greater using the values determined at the end of the prior Business Day (after deduction of all Contract fees and expenses). **However, resets are not available after the end**

date, or after you take a GMIB Partial Annuitization. If you reset the 7% AIA, you must wait until the tenth Contract Anniversary after the reset anniversary before you can begin GMIB or GPWB Payments. You can request a reset within 30 days following a Contract Anniversary. If your request is in Good Order, we process it as of the prior Contract Anniversary (or on the next Business Day if the Contract Anniversary is not a Business Day). If you reset the 7% AIA, on the reset anniversary we change the additional M&E charge for PRIME Plus Benefit to the additional M&E charge that is in effect for a newly issued Contract as of the reset anniversary. We guarantee that the M&E charge will not be more than the maximum M&E charge for Contracts with PRIME Plus Benefit that is set forth in the Fee Tables, and in section 7, Expenses – Separate Account Annual Expenses. If we change the M&E charge, we change the number of accumulation units so that the Contract Value on the reset anniversary remains the same. Because the performance of the Investment Options causes the accumulation unit values to fluctuate, the adjustment to the number of accumulation units may be positive or negative.

MAXIMUM ANNIVERSARY VALUE (MAV)

While the PRIME Plus Benefit is in effect, we only calculate the MAV before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization.

If the rider effective date was the Issue Date, the MAV was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date. If the rider effective date was after the Issue Date, the MAV on the rider effective date was initially equal to the Contract Value (including any vested bonus) at the end of the prior Business Day.

At the end of each Business Day, we adjust the MAV as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- If you take a GMIB Partial Annuitization based on the:
 - MAV, we reduce it by the dollar amount applied to GMIB Payments.
 - 7% AIA, we reduce it by the percentage of 7% AIA applied to GMIB Payments.

On each Contract Anniversary before the end date, we compare the MAV to the Contract Value (including any vested bonus) using values determined at the end of the prior Business Day (after deduction of all Contract fees and expenses) and increase the MAV to equal this Contract Value if it is greater. On and after the end date, we no longer make this comparison and you will no longer receive lock ins of any annual investment gains. The end date is the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual).

Withdrawals include all withdrawals (even penalty-free withdrawals) and any withdrawal charges, and Partial Annuitizations; but not amounts we withdraw for the transfer fee, or contract maintenance charge. Withdrawals may reduce the 7% AIA and MAV used to calculate the PB Value by more than the amount withdrawn or annuitized.

USING PRIME PLUS BENEFIT

GPWB Payments and GMIB Payments can begin on or after the tenth Contract Anniversary that occurs after the later of the rider effective date, or the reset anniversary. You must submit your request to begin payments within 30 days following a Contract Anniversary. You can choose to take GPWB Payments, GMIB Payments, or both subject to the restrictions listed here.

You request GPWB Payments by completing a GPWB Payment election form. You must select either the 5% payment option or the 10% payment option. **Once you select a payment option, you cannot change it.**

You request GMIB Payments by completing the annuitization forms packet. You can take either a Full Annuitization, or before GPWB Payments begin, you can take Partial Annuitization(s) if the PB Value is greater than the Contract Value (including any vested bonus).

Payments begin after we receive your request in Good Order at our Service Center. We make GPWB Payments to you beginning on the 30th day after your Contract Anniversary. If your Contract Anniversary is the 1st through the 10th of the month, we make GMIB Payments to you beginning on the 1st of the next month (e.g., if your Contract Anniversary is August 5th, GMIB Payments begin on September 1st). If your Contract Anniversary is on or after the 11th of the month, we make GMIB Payments to you beginning on the 1st of the second month that occurs after your Contract Anniversary (e.g., if your Contract Anniversary is August 12th, GMIB Payments begin on October 1st). You can receive payments

monthly, quarterly, semi-annually, or annually. If the scheduled payment date does not fall on a Business Day, we make payment to you on the next Business Day.

If you take GPWB Payments:

- You can no longer remove PRIME Plus Benefit from the Contract.
- We no longer calculate the 7% AIA or the MAV.
- You cannot take new Partial Annuitizations.
- For Contracts issued in Connecticut, Florida, or New Jersey, you cannot make additional Purchase Payments, so you also cannot start a new DCA Fixed Option.
- Any active automatic investment plan, systematic withdrawal and/or minimum distribution programs end.
- The partial withdrawal privilege is not available.
- The additional M&E charge for PRIME Plus Benefit continues until the GPWB ends.
- If you have Third Enhanced GMDB, its additional M&E charge continues until the benefit ends.
- **If you take a Full Annuitization, GPWB Payments stop and the GPWB ends**
- The Rewards Value continues to fluctuate as a result of Investment Choice performance, and it decreases on a dollar for dollar basis with each GPWB Payment and any Excess Withdrawal, and the deduction of Contract charges other than the Separate Account annual expenses. Any unvested bonus will also continue to vest.
- The PB Value no longer increases if you select the 10% payment option. It can only increase if you select the 5% payment option and receive a step up.
- Each withdrawal (GPWB Payment and/or Excess Withdrawal) reduces the PB Value as follows:
 - withdrawals taken during the Contract Year that do not exceed the GPWB Maximum reduce the PB Value on a dollar for dollar basis, and
 - withdrawals taken during the Contract Year that exceed the GPWB Maximum reduce the PB Value proportionately by the percentage of Contract Value withdrawn (including any vested bonus and withdrawal charge).
- Withdrawals (GPWB Payments and/or Excess Withdrawals) taken during the Contract Year that do not exceed the GPWB Maximum do not reduce the Withdrawal Charge Basis. However, withdrawals that exceed the GPWB Maximum may be subject to a withdrawal charge and reduce the Withdrawal Charge Basis, as set out in section 7, Expenses – Withdrawal Charge.
- **Withdrawing more than the GPWB Maximum in a Contract Year may decrease the time over which you receive GPWB Payments, or cause your GPWB Payments to stop and your GPWB to end.**
- The guaranteed death benefit value no longer increases, and each GPWB Payment and Excess Withdrawal (including any withdrawal charge) reduces the guaranteed death benefit value proportionately by the percentage of Contract Value withdrawn.

If you take GMIB Payments under a Full Annuitization:

- You can no longer remove PRIME Plus Benefit from the Contract.
- If you were taking GPWB Payments, they stop and the GPWB ends.
- The Accumulation Phase ends and the Annuity Phase begins.
- The portion of the Contract that you apply to GMIB Payments is no longer subject to the Separate Account annual expense, but any portion of the Contract that has been applied to variable Traditional Annuity Payments continues to be subject to a 1.70% Separate Account annual expense.
- Your death benefit ends.

If you take GMIB Payments under a Partial Annuitization:

- You can no longer remove PRIME Plus Benefit from the Contract.
- 7% AIA resets are no longer available.
- GPWB continues to be available to you.
- The Annuity Phase begins and the Accumulation Phase continues.
- The portion of the Contract that you apply to GMIB Payments is no longer subject to the Separate Account annual expense, but any portion of the Contract that is in the Accumulation Phase or that has been applied to variable Traditional Annuity Payments continues to be subject to the appropriate Separate Account annual expense.

- For Contracts issued in Connecticut, Florida, or New Jersey, you can make additional Purchase Payments for any portion of the Contract is still in the Accumulation Phase subject to the \$1 million maximum stated in section 3.
- The Rewards Value and Contract Value continue to fluctuate as a result of Investment Choice performance.
- The Partial Annuitization reduces each Purchase Payment and Contract Value by the percentage of PB Value you apply to GMIB Payments. It also reduces the guaranteed death benefit value as discussed in section 10. However, GMIB Payments do not reduce the Contract Value available under the portion of the Contract that is in the Accumulation Phase.
- The portion of the Contract that you apply to GMIB Payments is no longer subject to the Separate Account annual expense, but any portion of the Contract that is in the Accumulation Phase or that has been applied to variable Traditional Annuity Payments continues to be subject to the appropriate Separate Account annual expense.

CALCULATING GPWB PAYMENTS

The payment option you select determines the GPWB Maximum, the PB Value and whether or not you receive an automatic payment increase or step up. The GPWB Maximum is the amount you are entitled to receive each Contract Year. The GPWB Maximum is 5% of the PB Value if you select the 5% payment option, and it is 10% of the PB Value if you select the 10% payment option. **The initial GPWB Maximum must be at least \$100. If your initial GPWB Maximum is less than \$100, the benefit ends and you will have paid for the benefit without receiving the advantages of the GPWB.** For example, assuming the 5% payment option, if you take withdrawals that reduce PB Value to less than \$2,000, this would result in an initial GPWB Maximum of less than \$100. You can change your GPWB Payment frequency once each Contract Year. You must provide notice of any requested payment frequency change to our Service Center at least 30 days before a Contract Anniversary. If the change is available, we implement it on the Contract Anniversary and it remains in effect until the benefit ends or you request another change. We do not accept payment frequency changes that would cause us to make payments of \$0.01 to \$99.99.

The GPWB Maximum is the amount you are entitled to, but you can choose to take less. The annual actual GPWB Payment is the total amount you choose to receive each year. Any part of the GPWB Maximum that you do not withdraw in a given Contract year is not added the GPWB Maximum available next year. Each GPWB Payment you receive is equal to the annual actual GPWB Payment divided by the number of payments you chose to receive during the Contract Year until the PB Value is less than the GPWB Payment amount. Once the PB Value is less than the GPWB Payment amount, you receive one last GPWB Payment that is equal to the remaining PB Value. Each GPWB Payments must be either zero, or \$100 or more. For example, you cannot request an annual payment of \$50.

If you would like to take less than the GPWB Maximum, you can change your payment amount once each Contract Year by providing notice to our Service Center at least 30 days before a Contract Anniversary. If the change is available, we implement it on the Contract Anniversary and it remains in effect until the benefit ends or you request another change.

We deduct each GPWB Payment and any Excess Withdrawal proportionately from the Investment Options. You can continue to make transfers between the Investment Options while your benefit is in effect, subject to the restrictions in section 5, Investment Options – Transfers Between Investment Options.

Once GPWB Payments have begun, if your Contract Value (including any vested bonus) reduces to zero but your PB Value is positive, you will continue to receive GPWB Payments until we payout the total PB Value. If you take the GPWB Maximum each Contract Year and take no Excess Withdrawals, we would pay the PB Value to you:

- within ten years if you elect the 10% payment option, or
- within 20 years if you elect the 5% payment option (assuming no step ups).

If there is Contract Value (including any vested bonus) remaining after we have paid out the total PB Value, you can elect to either:

- receive a lump sum payment of the entire remaining Contract Value (including any vested bonus less any withdrawal charges), the Accumulation Phase of the Contract ends, and the Contract ends unless we are also making Annuity Payments under a prior Partial Annuitization; or
- request Traditional Annuity Payments under a Full Annuitization based on the entire remaining Contract Value (including any vested bonus).

We send you notice at least 30 days before the last GPWB Payment date to ask for your instructions. If we do not receive any instructions from you by the date we make the last GPWB Payment, we pay you the entire remaining Contract Value

(including any vested bonus and less any withdrawal charges) in a lump sum, the Accumulation Phase ends, and the Contract ends unless we are also making Annuity Payments under a prior Partial Annuitization.

Excess Withdrawals

An Excess Withdrawal is an additional withdrawal you take while you are receiving GPWB Payments. If your annual actual GPWB Payment is less than the GPWB Maximum, you can withdraw the difference as an Excess Withdrawal and that amount is not subject to a withdrawal charge, and does not reduce the Withdrawal Charge Basis. However, **if you request an Excess Withdrawal and the amount you request plus your annual actual GPWB Payment exceeds the GPWB Maximum, the amount that exceeds the GPWB Maximum is subject to any applicable withdrawal charge and reduces the Withdrawal Charge Basis.**

Excess Withdrawals do not affect the GPWB Payment amount or frequency, but they may decrease the time over which you receive GPWB Payments. If you request an Excess Withdrawal you can instruct us to stop GPWB Payments that are due for the remainder of the Contract Year at the time you request the Excess Withdrawal.

STEP UPS UNDER THE 5% PAYMENT OPTION

Step ups increase the total amount available to you under GPWB, and can lengthen the time over which you receive GPWB Payments.

If you select the 5% payment option we may change your GPWB Maximum on every third Contract Anniversary before age 91. On each of these third anniversaries, we compare the PB Value to the Contract Value (including any vested bonus) using the values determined at the end of the prior Business Day (after deduction of all Contract fees and expenses) and increase the PB Value to equal this Contract Value if it is greater. Step ups continue to happen automatically during this time until the PB Value is zero.

If we step up the PB Value, we also step up the GPWB Maximum to equal 5% of the increased PB Value if that amount is greater than the current GPWB Maximum. Step ups may or may not increase the GPWB Maximum, as demonstrated in Appendix D – GPWB Payments. Appendix D also contains examples showing the effect of an Excess Withdrawal on GPWB Payments.

If you are taking less than the GPWB Maximum and receive a step up, we do not automatically increase your actual GPWB Payment. However, you can increase next year's actual GPWB Payment by submitting a written request to our Service Center at least 30 days before a Contract Anniversary.

Step ups are not available under the 10% payment option. Step ups are also not available once the older Owner reaches age 91 (or the Annuitant reaches age 91 if the Contract is owned by a non-individual), or on or after the Business Day your Contract Value (including any vested bonus) reduces to zero.

TAXATION OF GPWB PAYMENTS

We treat GPWB Payments as withdrawals for tax purposes as discussed in section 12, Taxes – Taxation of GPWB Payments.

WHEN GPWB ENDS

GPWB ends upon the earliest of the following.

- The Business Day we process your request to remove the PRIME Plus Benefit from your Contract (the rider termination date).
- The Business Day you take an Excess Withdrawal of the total Contract Value.
- The Business Day that the PB Value and Contract Value are both zero.
- The Business Day before the Income Date that you take a Full Annuitization.
- When the Contract ends.
- The death of any Owner (unless the deceased Owner's spouse continues the Contract as the new Owner).

WHEN GMIB ENDS

If you have not exercised GMIB, it ends upon the earliest of the following.

- The Business Day that the PB Value and Contract Value are both zero.
- The Business Day before the Income Date you take a Full Annuitization and request Traditional Annuity Payments.
- When the Contract ends.

- The death of any Owner (unless the deceased Owner’s spouse continues the Contract as the new Owner).

Each portion of the Contract that you apply to GMIB Payments ends upon the earliest of the following.

- Under Annuity Options 1 and 3, the death of the last surviving Annuitant.
- Under Annuity Options 2 and 4, the death of the last surviving Annuitant and either when the guaranteed period expires, or when we pay any final lump sum.
- Under Annuity Option 5, the death of the Annuitant and payment of any lump sum refund.
- Under Annuity Option 6, the expiration of the specified period certain.
- When PRIME Plus Benefit ends.
- When the Contract ends.

The GMIB may have limited usefulness if you have a Qualified Contract subject to a RMD. If you do not exercise the GMIB on or before the date RMD payments must begin under a qualified plan, you may not be able to exercise the GMIB. You should consider whether the GMIB is appropriate for your situation if you plan to exercise the GMIB after your RMD beginning date.

12. TAXES

This section provides a summary explanation of the tax ramifications of your Contract. More detailed information about product taxation is contained in the SAI, which is available by calling the toll-free telephone number at the back of this prospectus. **We do not provide individual tax advice. You should contact your tax adviser to discuss this Contract’s effects on your personal tax situation.**

QUALIFIED AND NON-QUALIFIED CONTRACTS

Your Contract is either a Qualified Contract or a Non-Qualified Contract. A Qualified Contract is purchased pursuant to a specialized provision of the Internal Revenue Code (Code). For example, a Contract may have been purchased pursuant to Section 408 of the Code as an IRA.

Qualified Contracts are subject to certain restrictions, including restrictions on the amount of annual contributions, restrictions on how much you can earn and still be able to contribute to a Qualified Contract, and specialized restrictions on withdrawals. Qualified Contracts must have been purchased from earned income from the relevant year or years, or from a rollover or transfer from a qualified contract. An IRA to IRA indirect rollover can occur only once in any twelve-month period from all of the IRAs you currently own.

We previously offered the following types of Qualified Contracts.

Type of Contract	Persons and Entities that can buy the Contract
IRA	Must have the same individual as Owner and Annuitant.
Roth IRA	Must have the same individual as Owner and Annuitant.
Simplified Employee Pension (SEP) IRA	Must have the same individual as Owner and Annuitant.
Certain Code Section 401 Plans	A qualified retirement plan is the Owner and the Annuitant must be an individual.

There are no Code restrictions on annual contributions to a Non-Qualified Contract or how much you can earn and still contribute to a Contract.

TAXATION OF ANNUITY CONTRACTS

The Contract has the following tax characteristics.

- Taxes on earnings are deferred until you take money out. Non-Qualified Contracts owned by corporations or partnerships do not receive income tax deferral on earnings.
- When you take money out of a Non-Qualified Contract, earnings are generally subject to federal income tax and applicable state income tax. All pre-tax money distributed from Qualified Contracts are subject to federal and state income tax, but qualified distributions from Roth IRA Contracts are not subject to federal income tax. This prospectus does not address specific state tax laws. You should discuss state taxation with your tax adviser.
- Taxable distributions are subject to an ordinary income tax rate, rather than a capital gains rate.

- Distributions from Non-Qualified Contracts are considered investment income for purposes of the Medicare tax on investment income. Thus, in certain circumstances, a 3.8% tax may apply to some or all of the taxable portion of distributions (e.g. earnings) to individuals whose income exceeds certain threshold amounts (\$200,000 for filing single, \$250,000 for married filing jointly and \$125,000 for married filing separately.) Please consult a tax adviser for more information.
- If you take partial withdrawals from your Non-Qualified Contract, the withdrawals are generally taxed as though you were paid taxable earnings first, and then as a non-taxable return of Purchase Payments.
- If you fully annuitize your Non-Qualified Contract and receive a stream of Annuity Payments, you receive the benefit of the exclusion ratio, and each Annuity Payment you receive is treated partly as taxable earnings and partly as a non-taxable return of Purchase Payments.
- If you take partial withdrawals or annuitize a Qualified Contract, you will be responsible for determining what portion, if any, of the distribution consists of after-tax money.
- GPWB Payments are taxed as partial withdrawals.
- If you take out earnings before age 59 ½, you may be subject to a 10% additional federal tax, unless you take a lifetime annuitization of your Contract or you take money out in a stream of substantially equal payments over your expected life in accordance with the requirements of the Code. If the Contract is jointly owned, we send one check payable to both Joint Owners and we tax both Joint Owner's based on the age of the older Joint Owner.
- A pledge or assignment of a Contract may be treated as a taxable event. You should discuss any pledge or assignment of a Contract with your tax adviser.
- If you purchase multiple non-qualified deferred annuity contracts from an affiliated group of companies in one calendar year, these contracts are treated as one contract for purposes of determining the tax consequences of any distribution.
- Death benefit proceeds from Non-Qualified Contracts are taxable to the beneficiary as ordinary income to the extent of any earnings. Death benefit proceeds must be paid out in accordance with the requirements of the Code.
- Depending upon the type of Qualified Contract you own, required minimum distributions (RMDs) must be satisfied when you reach a certain age. If you enroll in our minimum distribution program, we make RMD payments to you that are designed to meet this Contract's RMD requirements.
- When you take money out of a Contract, we may deduct premium tax that we pay on your Contract. This tax varies from 0% to 3.5%, depending on your state. Currently, we pay this tax and do not pass it on to you.

TAXATION OF GPWB PAYMENTS

We treat GPWB Payments as withdrawals for tax purposes. This means that, for Non-Qualified Contracts, **gains from the entire Contract are considered to be distributed first and are subject to ordinary income tax.** Purchase Payments are distributed after gains have been paid out and are generally considered to be a return of your investment and are not subject to income tax. For Qualified Contracts, the total GPWB Payment is most likely subject to ordinary income tax. If you are taking withdrawals from the Contract to satisfy the requirements for substantially equal periodic payments under Section 72(t) or 72(q) of the Internal Revenue Code and you begin GPWB Payments before the required series of withdrawals is complete, you may incur additional penalties, including a 10% additional federal tax.

TAXATION OF GMIB PAYMENTS

We treat GMIB Payments as Annuity Payments for tax purposes and they are not generally subject to the 10% additional federal tax.

For GMIB Payments from a Non-Qualified Contract, you receive the benefit of the exclusion ratio, and we treat each GMIB Payment partly as taxable earnings and partly as non-taxable return of Purchase Payments. However, the full amount of each GMIB Payment is subject to tax as ordinary income once we have paid out all of your Purchase Payments under a Full Annuitization, or all of your Purchase Payments attributable to a Partial Annuitization. For more information on Partial Annuitizations, please see section 9. For Qualified Contracts, the entire GMIB Payment most likely is subject to tax as ordinary income.

TAX-FREE SECTION 1035 EXCHANGES

Subject to certain restrictions, you can make a "tax-free" exchange under Section 1035 of the Code for all or a portion of one non-qualified annuity contract for another, or all of a life insurance policy for a non-qualified annuity contract. Before

making an exchange, you should compare both contracts carefully. Remember that if you exchange a life insurance policy or annuity contract for the Contract described in this prospectus:

- you might have to pay a withdrawal charge on your previous contract,
- there is a new withdrawal charge period for this Contract,
- other charges under this Contract may be higher (or lower),
- the benefits may be different, and
- you no longer have access to any benefits from your previous contract.

If the exchange does not qualify for Section 1035 treatment, you also may have to pay federal income tax, including a possible additional federal tax, on the exchange. You should not exchange an existing life insurance policy or another annuity contract for this Contract unless you determine the exchange is in your best interest and not just better for the person selling you the Contract who generally earns a commission on each sale. You should consult a tax adviser to discuss the potential tax effects before making a 1035 exchange.

We only allow 1035 exchanges if your Contract was issued in Connecticut, Florida, or New Jersey, and you are still allowed to make additional Purchase Payments.

13. OTHER INFORMATION

ALLIANZ LIFE

Allianz Life is a stock life insurance company organized under the laws of the state of Minnesota in 1896. Our address is 5701 Golden Hills Drive, Minneapolis, MN 55416. We currently offer fixed, fixed index, and variable annuities, individual life insurance, and registered index-linked annuities. We are licensed to do direct business in 49 states and the District of Columbia. We are a subsidiary of Allianz SE, a provider of integrated financial services.

THE SEPARATE ACCOUNT

We established Allianz Life Variable Account B (the Separate Account) as a separate account under Minnesota insurance law on May 31, 1985. The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940. The SEC does not supervise our management of the Separate Account.

The Separate Account holds the assets that underlie the Contracts, except assets allocated to our general account. We keep the Separate Account assets separate from the assets of our general account and other separate accounts. The Separate Account is divided into subaccounts, each of which invests exclusively in a single Investment Option.

We own the assets of the Separate Account. We credit gains to or charge losses against the Separate Account, whether or not realized, without regard to the performance of other investment accounts. The Separate Account's assets may not be used to pay any of our liabilities, other than those arising from the Contracts.

If the Separate Account's assets exceed the required reserves and other liabilities, we may transfer the excess to our general account, to the extent of seed money invested by us or earned fees and charges. The obligations under the Contracts are obligations of Allianz Life.

DISTRIBUTION

Allianz Life Financial Services, LLC (ALFS), a wholly owned subsidiary of Allianz Life Insurance Company of North America, serves as principal underwriter for the Contracts. ALFS is a limited liability company organized in Minnesota, and is located at 5701 Golden Hills Drive, Minneapolis, MN 55416. ALFS is registered as a broker/dealer with the SEC under the Securities Exchange Act of 1934, as well as with the securities commissions in the states in which it operates, and is a member of the Financial Industry Regulatory Authority (FINRA). ALFS is not a member of Securities Investors Protection Corporation. More information about ALFS is available at www.finra.org or by calling 1-800-289-9999. You also can obtain an investor brochure from FINRA describing its Public Disclosure Program.

We have entered into a distribution agreement with ALFS for the distribution of our products. ALFS also may perform various administrative services on our behalf.

We may fund ALFS operating and other expenses, including: overhead; legal and accounting fees; Financial Professional training; compensation for the ALFS management team; and other expenses associated with the Contracts. Financial Professionals and their managers may also be eligible for various benefits, such as production incentive bonuses,

insurance benefits, and non-cash compensation items that we may provide jointly with ALFS. Non-cash items include conferences, seminars and trips (including travel, lodging and meals in connection therewith), entertainment, awards, merchandise and other similar items.

ALFS does not itself sell our products on a retail basis. Rather, ALFS enters into selling agreements with other broker/dealers registered under the 1934 Act (selling firms) for the sale of our products. Sometimes, we enter into an agreement with a selling firm to pay commissions as a combination of a certain amount of the commission at the time of sale and a trail commission which, when totaled, could exceed 6% of Purchase Payments.

A portion of the payments made to selling firms may be passed on to their Financial Professionals. Financial Professionals may receive cash and non-cash compensation and other benefits. Ask your Financial Professional for further information about what they and their firm may receive in connection with your Contract.

Commissions paid on the Contract, including other incentives or payments, are not charged directly to the Owners or the Separate Account. We intend to recover commissions and other expenses indirectly through fees and charges imposed under the Contract.

Broker-dealers and their Financial Professionals and managers involved in sales of our products may receive payments from us for administrative and other services that do not directly involve sales of our products, including payments made for recordkeeping, the recruitment and training of personnel, production of promotional literature and similar services. In addition, certain firms and their Financial Professionals may receive compensation for distribution and administrative services when acting in a wholesaling capacity and working with retail firms.

We and/or ALFS may pay certain selling firms additional marketing support allowances for:

- marketing services and increased access to their Financial Professionals;
- costs associated with sales conferences and educational seminars;
- the cost of client meetings and presentations; and
- other sales expenses incurred by them.

We retain substantial discretion in determining whether to grant a marketing support payment to a particular broker/dealer firm and the amount of any such payment.

We may also make payments for marketing and wholesaling support to broker/dealer affiliates of Investment Options that are available through the variable annuities we offer.

Additional information regarding marketing support payments can be found in the Distributor section of the SAI.

The Investment Options may assess a Rule 12b-1 fee. These fees are paid to ALFS as consideration for providing certain services and incurring certain expenses permitted under the Investment Option's plan. These fees typically equal 0.25% of an Investment Option's average daily net assets for the most recent calendar year.

In certain instances, an investment adviser and/or subadviser (and/or their affiliates) of an Investment Option may make payments for administrative services to ALFS or its affiliates.

ADDITIONAL CREDITS FOR CERTAIN GROUPS

We may credit additional amounts to a Contract instead of modifying charges because of special circumstances that result in lower administrative expenses or better than expected mortality or persistency experience.

ADMINISTRATION/ALLIANZ SERVICE CENTER

The Allianz Service Center performs certain administrative services regarding the Contracts and is located at 5701 Golden Hills Drive, Minneapolis, Minnesota. The Service Center mailing address and telephone number are listed at the back of this prospectus. The administrative and routine customer services performed by our Service Center include processing and mailing of account statements and other mailings to Owners, responding to Owner correspondence and inquiries, and processing requests for variable annuity payments. Allianz Life also contracts with Tata Consultancy Services (Tata) located at #42(P) & 45(P), Think Campus, Electronic City, Phase II, Bangalore, Karnataka 560100, India, to perform certain administrative services including:

- maintenance of the Contracts,
- maintenance of Owner records, and
- routine customer service including:

- processing of Contract changes,
- processing withdrawal requests (both partial and total) and
- processing requests for fixed annuity payments.

Services performed by Tata are overseen and quality control checked by our Service Center.

To reduce expenses, only one copy of most financial reports and prospectuses, including reports and prospectuses for the Investment Options, may be mailed to your household, even if you or other persons in your household have more than one contract issued by us or our affiliate. Call our Service Center at the toll-free telephone number listed at the back of this prospectus if you need additional copies of financial reports, prospectuses, or annual and semiannual reports, or if you would like to receive one copy for each contract in future mailings.

LEGAL PROCEEDINGS

We and our subsidiaries, like other life insurance companies, from time to time are involved in legal proceedings of various kinds, including regulatory proceedings and individual and class action lawsuits. In some legal proceedings involving insurers, substantial damages have been sought and/or material settlement payments have been made. Although the outcome of any such proceedings cannot be predicted with certainty, we believe that, at the present time, there are no pending or threatened legal proceedings to which we, the Separate Account, or ALFS is a party that are reasonably likely to materially affect the Separate Account, our ability to meet our obligations under the Contracts, or ALFS ability to perform its obligations.

FINANCIAL STATEMENTS

The statutory financial statements of Allianz Life have been included or incorporated by reference in Part C of the Registration Statement. The statutory financial statements of the Separate Account have been included in the SAI.

14. PRIVACY NOTICE

Allianz Life Insurance Company of North America
PO Box 1344
Minneapolis, MN 55440-1344
800.328.5600

Your privacy is a high priority for Allianz (“we” or “our”). This Privacy Notice outlines our principles for collecting, using and protecting information that we maintain about you. This Privacy Notice is also displayed on our website at www.allianzlife.com.

Information about you that Allianz collects

We collect information about you so that we can process the insurance transactions you request and administer or service your policy. We also collect information to inform you of new products and services and to engage in studies or research relating to our business. We limit the information collected to what is needed for our business purposes. We may collect your information from the following sources.

- From you, either directly or through our financial professionals. This may include information provided on your insurance application or other forms you may complete. The information we collect includes, but is not limited to, your name, social security number, address, telephone number and e-mail address.
- From others, through the process of issuing a policy or handling a claim. This may include information from consumer reporting agencies and medical or accident reports.
- From your doctor or during a home visit by a health care professional. This may include your health records gathered with your written consent.
- From your relationship with us. For example, this may include the number of years you have been a customer or the types of products you have purchased.
- From data brokers that collect publicly available information about you. This includes household information, financial transactions, and social media activity.

Information about you that Allianz shares

We do not share information about current or former customers with anyone, except as allowed by law. “Allowed by law” means that we may share the information we collect about you as follows.

- With people and entities when we have your consent to share your information.
- With our affiliates and other third parties in order to process your application, or administer or service your policy.
- With consumer reporting agencies to obtain a medical report, credit report, or motor vehicle report. These reports are used to decide eligibility for a policy or to process transactions you request.
- With our financial professionals so that they can service your policy. They may also inform you of other Allianz products and services that may be of interest to you.
- With health care providers in order to process your claim.
- As required or otherwise permitted by law. This may include sharing information with state insurance agencies, law enforcement, and other government officials. We may also share your information to respond to subpoenas, court orders and other legal requests.
- With research groups to conduct studies on our business to improve the products and services we offer.
- To inform you of products and services that may be of interest to you. These communications may be made by us, our financial professionals, or through third parties.
- With our affiliates so they can market their products and services to you. State insurance laws do not allow you to restrict this disclosure.

Allianz does not sell your information to anyone

We do not sell your information to anyone for their own marketing purposes. For this reason, we are not required to obtain your “opt in election,” “opt out election” or authorization.

Allianz policies and practices regarding security of your information

We limit access to your information to those employees, affiliates, and service providers who need it for our business purposes. We protect your information using safeguards that comply with applicable federal and state law. This includes measures that are administrative, physical, and technical in nature. We use reasonable measures to secure our websites and protect the information that may be shared over these sites.

Your ability to access and correct your information

You have the right to access and obtain a copy of your information. This does not include the right to access and copy your information related to a claim or civil or criminal proceeding. You may also write to us and ask about disclosure(s) of your information made within the last two (2) years. If you wish to review your information, please write us at:

Allianz Life Insurance Company of North America
Attn: Privacy Office
PO Box 1344
Minneapolis, MN 55440-1344

Please provide your full name, address and policy number(s) in your written request. For your protection, please have your request notarized. We reserve the right to ask for additional verification of your identity.

Within 30 working days of our receipt of your written request, you may see and get a copy of your information in person. If you prefer, we will send you a copy of your information. If medical information is contained in your file, we may request that you name a medical professional to whom we will send your information.

If you believe any of your information is incorrect, you may write to us at the address above. Within 30 working days, we will let you know if our review has resulted in a correction of your information. If we do not agree there is an error, you may file a statement disputing our finding. We will attach the statement to your file. We will send any corrections we make, or your statement, to anyone we shared your information with over the past two years, and to anyone who may receive your information from us in the future. We do not control the information about you obtained from a consumer reporting agency or a Department of Motor Vehicles. We will provide you with the names and addresses of these agencies so you can contact them directly.

Notification of change

Your trust is one of our most important assets. If we revise our privacy practices in the future, we will notify you prior to implementing any changes.

For more information or if you have questions

If you have any questions or concerns about our privacy practices, please call the Corporate Compliance Privacy Office at 800.328.5600, contact us via the secured website, or write us at:

Allianz Life Insurance Company of North America
Attn: Privacy Office
PO Box 1344
Minneapolis, MN 55440-1344

This Privacy Notice is being provided on behalf of the following companies:

- Allianz Life Insurance Company of North America
- Allianz Life Financial Services, LLC

M40018 (R-09/2019)

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APPENDIX A – CONDENSED FINANCIAL INFORMATION

The statutory financial statements of Allianz Life Insurance Company of North America are included or incorporated by reference in Part C of the Registration Statement.

AUV information as of December 31, 2020 corresponding to the 1.65% Separate Account annual expense for the Original Contract without optional benefits, and the 2.60% Separate Account annual expense for May 2006 Contract with PRIME Plus Benefit and Third Enhanced GMDB is listed in the tables below. You can find AUV information for other Separate Account annual expenses as of December 31, 2020 in Appendix B of the SAI, which is available without charge by contacting us at the telephone number or address listed at the back of this prospectus.

This information should be read in conjunction with the financial statements and related notes of the Separate Account included in Appendix C of the SAI.

<u>Lowest and Highest Combination of Benefit Options</u>	<u>Separate Account Annual Expenses</u>
Original Contract without optional benefits	1.65%
May 2006 Contract with PRIME Plus Benefit and Third Enhanced GMDB ⁽¹⁾	2.60%

(1) The Separate Account annual expenses for the May 2003 Contract with Enhanced PRIME Benefit and Third Enhanced GMDB are also 2.60%, therefore the AUV information is the same.

(Number of accumulation units in thousands)

Separate Account Annual Expenses 1.65%				Separate Account Annual Expenses 2.60%			
Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period	Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period
AZL Balanced Index Strategy Fund							
12/31/2011	10.901	10.982	16	12/31/2011	10.779	10.756	231
12/31/2012	10.982	11.913	31	12/31/2012	10.756	11.557	348
12/31/2013	11.913	13.233	16	12/31/2013	11.557	12.716	495
12/31/2014	13.233	13.812	26	12/31/2014	12.716	13.147	615
12/31/2015	13.812	13.588	29	12/31/2015	13.147	12.811	509
12/31/2016	13.588	14.268	30	12/31/2016	12.811	13.325	518
12/31/2017	14.268	15.649	32	12/31/2017	13.325	14.478	434
12/31/2018	15.649	14.720	61	12/31/2018	14.478	13.489	439
12/31/2019	14.720	16.976	61	12/31/2019	13.489	15.408	349
12/31/2020	16.976	18.742	58	12/31/2020	15.408	16.850	314
AZL DFA Five-Year Global Fixed Income Fund							
12/31/2017	N/A	9.802	0	12/31/2017	N/A	9.555	9
12/31/2018	9.802	9.753	0	12/31/2018	9.555	9.417	35
12/31/2019	9.753	9.929	0	12/31/2019	9.417	9.497	23
12/31/2020	9.929	9.822	0	12/31/2020	9.497	9.305	20
AZL DFA Multi-Strategy Fund							
12/31/2011	11.225	11.043	138	12/31/2011	11.099	10.816	839
12/31/2012	11.043	12.309	43	12/31/2012	10.816	11.941	1378
12/31/2013	12.309	14.659	48	12/31/2013	11.941	14.086	2355
12/31/2014	14.659	15.360	34	12/31/2014	14.086	14.621	2222
12/31/2015	15.360	15.008	33	12/31/2015	14.621	14.150	2011
12/31/2016	15.008	16.139	24	12/31/2016	14.150	15.072	1667
12/31/2017	16.139	17.890	24	12/31/2017	15.072	16.550	1408
12/31/2018	17.890	16.556	22	12/31/2018	16.550	15.171	1201
12/31/2019	16.556	18.984	22	12/31/2019	15.171	17.231	1031
12/31/2020	18.984	20.660	21	12/31/2020	17.231	18.574	875

Separate Account Annual Expenses 1.65%				Separate Account Annual Expenses 2.60%			
Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period	Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period
AZL Fidelity Institutional Asset Management Multi-Strategy Fund							
12/31/2011	11.052	10.673	38	12/31/2011	10.928	10.453	250
12/31/2012	10.673	12.049	19	12/31/2012	10.453	11.688	430
12/31/2013	12.049	13.999	18	12/31/2013	11.688	13.452	838
12/31/2014	13.999	14.064	54	12/31/2014	13.452	13.387	914
12/31/2015	14.064	13.079	44	12/31/2015	13.387	12.331	1008
12/31/2016	13.079	13.703	35	12/31/2016	12.331	12.798	719
12/31/2017	13.703	14.978	34	12/31/2017	12.798	13.856	574
12/31/2018	14.978	14.434	31	12/31/2018	13.856	13.226	505
12/31/2019	14.434	16.650	14	12/31/2019	13.226	15.112	462
12/31/2020	16.650	18.583	11	12/31/2020	15.112	16.707	411
AZL Fidelity Institutional Asset Management Total Bond Fund							
12/31/2016	N/A	10.095	35	12/31/2016	N/A	9.689	861
12/31/2017	10.095	10.355	50	12/31/2017	9.689	9.845	728
12/31/2018	10.355	10.057	45	12/31/2018	9.845	9.471	613
12/31/2019	10.057	10.909	42	12/31/2019	9.471	10.176	554
12/31/2020	10.909	11.679	40	12/31/2020	10.176	10.791	542
AZL Gateway Fund							
12/31/2011	N/A	10.224	40	12/31/2011	N/A	10.063	33
12/31/2012	10.224	10.473	34	12/31/2012	10.063	10.210	47
12/31/2013	10.473	11.172	33	12/31/2013	10.210	10.788	367
12/31/2014	11.172	11.328	40	12/31/2014	10.788	10.836	263
12/31/2015	11.328	11.363	25	12/31/2015	10.836	10.767	264
12/31/2016	11.363	11.718	23	12/31/2016	10.767	10.998	214
12/31/2017	11.718	12.617	0	12/31/2017	10.998	11.730	186
12/31/2018	12.617	11.833	0	12/31/2018	11.730	10.896	207
12/31/2019	11.833	12.899	2	12/31/2019	10.896	11.765	195
12/31/2020	12.899	13.613	0	12/31/2020	11.765	12.299	172
AZL Government Money Market Fund							
12/31/2011	10.657	10.484	474	12/31/2011	9.607	9.361	5114
12/31/2012	10.484	10.311	246	12/31/2012	9.361	9.119	5944
12/31/2013	10.311	10.143	227	12/31/2013	9.119	8.886	5234
12/31/2014	10.143	9.977	137	12/31/2014	8.886	8.658	4317
12/31/2015	9.977	9.815	132	12/31/2015	8.658	8.436	3767
12/31/2016	9.815	9.655	131	12/31/2016	8.436	8.221	3619
12/31/2017	9.655	9.502	91	12/31/2017	8.221	8.014	2884
12/31/2018	9.502	9.440	79	12/31/2018	8.014	7.886	1964
12/31/2019	9.440	9.415	67	12/31/2019	7.886	7.791	1586
12/31/2020	9.415	9.280	68	12/31/2020	7.791	7.606	1711
AZL Moderate Index Strategy Fund							
12/31/2011	12.637	12.160	76	12/31/2011	11.861	11.305	1293
12/31/2012	12.160	13.384	25	12/31/2012	11.305	12.325	1240
12/31/2013	13.384	16.412	41	12/31/2013	12.325	14.971	1947
12/31/2014	16.412	17.516	51	12/31/2014	14.971	15.826	1965
12/31/2015	17.516	16.804	32	12/31/2015	15.826	15.040	1858
12/31/2016	16.804	18.002	23	12/31/2016	15.040	15.959	1466
12/31/2017	18.002	20.063	26	12/31/2017	15.959	17.619	1442
12/31/2018	20.063	18.712	22	12/31/2018	17.619	16.276	1237
12/31/2019	18.712	21.963	21	12/31/2019	16.276	18.923	1158
12/31/2020	21.963	24.376	15	12/31/2020	18.923	20.803	1005

Separate Account Annual Expenses 1.65%				Separate Account Annual Expenses 2.60%			
Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period	Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period
AZL MVP Balanced Index Strategy Fund							
12/31/2015	N/A	12.106	3	12/31/2015	N/A	11.658	92
12/31/2016	12.106	12.695	3	12/31/2016	11.658	12.109	223
12/31/2017	12.695	13.912	11	12/31/2017	12.109	13.144	142
12/31/2018	13.912	13.075	11	12/31/2018	13.144	12.236	176
12/31/2019	13.075	15.037	25	12/31/2019	12.236	13.939	156
12/31/2020	15.037	15.674	24	12/31/2020	13.939	14.392	152
AZL MVP Fusion Balanced Fund							
12/31/2011	11.701	11.406	94	12/31/2011	11.087	10.705	2353
12/31/2012	11.406	12.497	61	12/31/2012	10.705	11.617	2224
12/31/2013	12.497	13.700	37	12/31/2013	11.617	12.616	2016
12/31/2014	13.700	14.094	36	12/31/2014	12.616	12.856	1836
12/31/2015	14.094	13.620	33	12/31/2015	12.856	12.306	1595
12/31/2016	13.620	14.191	25	12/31/2016	12.306	12.701	1363
12/31/2017	14.191	15.667	19	12/31/2017	12.701	13.889	1249
12/31/2018	15.667	14.577	18	12/31/2018	13.889	12.800	1084
12/31/2019	14.577	16.598	17	12/31/2019	12.800	14.437	930
12/31/2020	16.598	16.944	15	12/31/2020	14.437	14.598	804
AZL MVP Fusion Conservative Fund							
12/31/2011	11.077	10.967	5	12/31/2011	10.953	10.741	519
12/31/2012	10.967	12.002	6	12/31/2012	10.741	11.643	652
12/31/2013	12.002	12.745	17	12/31/2013	11.643	12.247	665
12/31/2014	12.745	13.140	18	12/31/2014	12.247	12.507	629
12/31/2015	13.140	12.824	6	12/31/2015	12.507	12.091	584
12/31/2016	12.824	13.285	6	12/31/2016	12.091	12.408	545
12/31/2017	13.285	14.285	6	12/31/2017	12.408	13.215	461
12/31/2018	14.285	13.523	6	12/31/2018	13.215	12.392	406
12/31/2019	13.523	15.103	6	12/31/2019	12.392	13.708	356
12/31/2020	15.103	15.566	7	12/31/2020	13.708	13.995	338
AZL MVP Fusion Moderate Fund							
12/31/2011	11.396	10.892	483	12/31/2011	10.798	10.222	4275
12/31/2012	10.892	12.055	414	12/31/2012	10.222	11.207	4054
12/31/2013	12.055	13.657	385	12/31/2013	11.207	12.576	3945
12/31/2014	13.657	14.002	372	12/31/2014	12.576	12.772	3556
12/31/2015	14.002	13.482	337	12/31/2015	12.772	12.181	3189
12/31/2016	13.482	13.887	317	12/31/2016	12.181	12.429	2909
12/31/2017	13.887	15.571	13	12/31/2017	12.429	13.804	2535
12/31/2018	15.571	14.325	13	12/31/2018	13.804	12.579	2110
12/31/2019	14.325	16.529	11	12/31/2019	12.579	14.377	1752
12/31/2020	16.529	16.996	19	12/31/2020	14.377	14.643	1523
AZL MVP Growth Index Strategy Fund							
12/31/2015	N/A	13.266	1	12/31/2015	N/A	12.774	228
12/31/2016	13.266	13.936	7	12/31/2016	12.774	13.292	4933
12/31/2017	13.936	15.896	11	12/31/2017	13.292	15.019	4625
12/31/2018	15.896	14.627	32	12/31/2018	15.019	13.688	4311
12/31/2019	14.627	17.340	31	12/31/2019	13.688	16.074	3718
12/31/2020	17.340	17.862	49	12/31/2020	16.074	16.401	3149

Separate Account Annual Expenses 1.65%				Separate Account Annual Expenses 2.60%			
Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period	Period or Year Ended	AUV at Beginning of Period	AUV at End of Period	Number of Accumulation Units Outstanding at End of Period
PIMCO VIT Global Core Bond (Hedged) Portfolio							
12/31/2011	N/A	9.797	0	12/31/2011	N/A	9.735	7
12/31/2012	9.797	10.233	4	12/31/2012	9.735	10.071	57
12/31/2013	10.233	9.749	2	12/31/2013	10.071	9.504	35
12/31/2014	9.749	9.446	2	12/31/2014	9.504	9.122	128
12/31/2015	9.446	8.824	1	12/31/2015	9.122	8.440	126
12/31/2016	8.824	9.269	0	12/31/2016	8.440	8.782	122
12/31/2017	9.269	9.508	0	12/31/2017	8.782	8.924	128
12/31/2018	9.508	9.450	0	12/31/2018	8.924	8.785	152
12/31/2019	9.450	10.029	0	12/31/2019	8.785	9.235	122
12/31/2020	10.029	10.664	0	12/31/2020	9.235	9.727	119
PIMCO VIT Total Return Portfolio							
12/31/2011	17.597	17.935	501	12/31/2011	15.863	16.015	2943
12/31/2012	17.935	19.334	394	12/31/2012	16.015	17.100	2918
12/31/2013	19.334	18.645	293	12/31/2013	17.100	16.334	2269
12/31/2014	18.645	19.125	234	12/31/2014	16.334	16.596	1883
12/31/2015	19.125	18.897	188	12/31/2015	16.596	16.243	1604
12/31/2016	18.897	19.086	148	12/31/2016	16.243	16.251	1396
12/31/2017	19.086	19.698	134	12/31/2017	16.251	16.614	1195
12/31/2018	19.698	19.271	114	12/31/2018	16.614	16.099	1040
12/31/2019	19.271	20.543	97	12/31/2019	16.099	16.999	895
12/31/2020	20.543	21.956	76	12/31/2020	16.999	17.996	831

APPENDIX B – LIQUIDATIONS UNDER ANNUITY OPTIONS 2, 4, AND 6

Please refer to your Contract to verify if liquidations are available to you.

For Original and May 2003 Contracts issued before April 29, 2005, if you take variable Traditional Annuity Payments under Annuity Options 2 or 4 you may be able to take withdrawals (“liquidations”) during the Annuity Phase before the guaranteed period ends. For Original Contracts that allow variable Traditional Annuity Payments under Annuity Option 6 you can also take liquidations before the guaranteed period ends. For Annuity Options 2 and 4, we also require that at least one Annuitant be alive and we only allow one liquidation each Contract Year. The maximum amount you can liquidate under Annuity Options 2 and 4 is 75% of the total liquidation value calculated as the sum of the total liquidation value at the time of each partial liquidation. The minimum amount you can liquidate under Annuity Options 2 and 4 is the lesser of \$500, or the remaining total liquidation value. Under Annuity Option 6, you can liquidate 100% of the total liquidation value with no required minimum. The total liquidation value is the present value of the remaining guaranteed number of variable Traditional Annuity Payments, based on the Annuity Payment’s current value, to the end of the guaranteed period, using the selected AIR as the interest rate for the present value calculation. Liquidations are subject to a commutation fee as discussed in the Fee Tables and section 7, Expenses. We subtract the commutation fee from the amount you requested and send you the remaining amount. We pay liquidations within seven days of receipt of your request in Good Order at our Service Center, unless the suspension of payments or transfers provision is in effect (see the discussion in section 8, Access to Your Money). After a partial liquidation, we reduce the subsequent monthly variable Traditional Annuity Payments during the remaining guaranteed period by the percentage of liquidation value withdrawn, including the commutation fee. Under Annuity Options 2 and 4, after the guaranteed period ends, we restore the number of annuity units used in calculating the monthly variable Traditional Annuity Payments to their original value as if you had not taken any liquidations.

APPENDIX C – PB VALUE CALCULATION EXAMPLES

- You purchased a May 2006 Contract with PRIME Plus Benefit. You are the only Owner.
- You made an initial Purchase Payment of \$100,000 (not including any bonus).
- You make an additional Purchase Payment of \$10,000 (not including any bonus) in the sixth Contract Year and allocate the entire amount to the Investment Options. You make no other Purchase Payments.
- The MAV on the ninth Contract Anniversary is \$180,000.
- You take a partial withdrawal of \$20,000 (including the withdrawal charge) in the tenth Contract Year (\$5,000 of which is to pay financial adviser fees) when the Contract Value (on the day of but before the partial withdrawal) is \$160,000 and both bonuses are 100% vested. You take no other partial withdrawals.
- As of the tenth Contract Anniversary you have not yet reached your 81st birthday.

The 7% AIA	
Initial Purchase Payment.....	\$100,000.00
Increased by 7% on the first Contract Anniversary.....	x 1.07
	<u>\$107,000.00</u>
Increased by 7% on the second Contract Anniversary.....	x 1.07
	<u>\$114,490.00</u>

Beginning on the sixth Contract Anniversary we only apply the 7% increase to the 7% AIA amount as of the fifth Contract Anniversary.

On the sixth Contract Anniversary the 7% AIA is:

The fifth Contract Anniversary 7% AIA.....	\$140,255.17
Increased by 7% on the sixth Contract Anniversary.....	x 1.07
	<u>\$150,073.03</u>
Plus the additional Purchase Payment received in the sixth Contract Year.....	+ 10,000.00
	<u>\$160,073.03</u>

On the seventh Contract Anniversary the 7% AIA is:

The fifth Contract Anniversary 7% AIA.....	\$140,255.17
Increased by 7% on the sixth Contract Anniversary.....	x 1.07
	<u>\$150,073.03</u>
Increased by 7% on the seventh Contract Anniversary.....	x 1.07
	<u>\$160,578.14</u>
Plus the additional Purchase Payment received in the sixth Contract Year.....	+ 10,000.00
	<u>\$170,758.14</u>

On the ninth Contract Anniversary the 7% AIA is:..... \$193,845.92

On the tenth Contract Anniversary the 7% AIA is:

The fifth Contract Anniversary 7% AIA increased by 7% for each anniversary since, up to and including the tenth:.....	\$196,715.14
Plus the additional Purchase Payment received in the sixth Contract Year.....	+ 10,000.00
Reduced proportionately by the percentage of Contract Value withdrawn during the tenth Contract Year: $(\$20,000 / \$160,000) = 0.125 \times \$193,845.92 =$	- 24,230.74
	<u>\$182,484.40</u>

Verifying that the 7% AIA is within the maximum limit:

2 times Purchase Payments made in the first five Contract Years: $2 \times \$100,000 =$	\$200,000
Reduced proportionately by the percentage of Contract Value withdrawn: $(\$20,000 / \$160,000) = 0.125 \times \$200,000 =$	- 25,000
	<u>\$175,000</u>

Therefore the 7% AIA on the tenth Contract Anniversary is limited to the maximum.....	<u>\$175,000</u>
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The MAV

The MAV on the ninth Contract Anniversary.....	\$180,000
Reduced proportionately by the percentage of Contract Value withdrawn: $(\$20,000 / \$160,000) = 0.125 \times \$180,000 =$	- 22,500
	<u>\$157,500</u>

The Contract Value on the tenth Contract Anniversary is \$140,000.

If you take GPWB Payments under the 5% payment option, the PB Value is \$175,000 (the greater of the \$175,000 7% AIA, \$157,500 MAV, or \$140,000 Contract Value), the initial GPWB Maximum is \$8,750 ($\$175,000 \times 5\%$), and the PB Value and GPWB Maximum could step up on every third Contract Anniversary before age 91.

If you take GPWB Payments under the 10% payment option, the PB Value is \$157,500 (the greater of the \$157,500 MAV, or \$140,000 Contract Value), and the initial GPWB Maximum is \$15,750 ($\$157,500 \times 10\%$).

Although the initial GPWB Maximum under the 5% payment option is less than what is available under the 10% payment option, you could receive payments for twice as long and those payments could increase if you receive a step up. Under the 10% payment option, GPWB Payments cannot increase. Under the GPWB, you can choose the payment option you feel is most appropriate.

If you take GMIB Payments, you can choose to set the PB Value equal to either the 7% AIA or the MAV because the 7% AIA is greater than the MAV. However, because the 7% AIA is only available under Annuity Options 2 and 4, it is possible that an Annuity Option other than 2 or 4, combined with the \$157,500 MAV, could result in a higher GMIB Payment. In addition, it is possible that fixed Traditional Annuity Payments based on the \$140,000 Contract Value would be greater than GMIB Payments depending on the current interest rates available at the time of annuitization. You can compare GMIB Payments available with both the 7% AIA and MAV to Traditional Annuity Payments using the Contract Value and choose the Annuity Payment you feel is most appropriate.

APPENDIX D – GPWB PAYMENTS

- On the tenth Contract Anniversary you exercise the GPWB, select the 5% payment option with annual payments, and both bonuses are 100% vested.
- On the tenth Contract Anniversary the PB Value is the 7% AIA and the initial GPWB Maximum is \$8,750 (see the example that appears in Appendix C).
- You take the GPWB Maximum as your annual actual GPWB Payments and take no Excess Withdrawals.

	Contract Value	PB Value	GPWB Maximum
On the 10th Contract Anniversary	\$140,000	\$175,000	\$8,750
11th Contract Anniversary	\$144,800	\$166,250	\$8,750
12th Contract Anniversary	\$151,900	\$157,500	\$8,750
13th Contract Anniversary before the step up	\$160,000	\$148,750	\$8,750
13th Contract Anniversary after the step up	\$160,000	\$160,000	\$8,750
14th Contract Anniversary	\$151,700	\$151,250	\$8,750
15th Contract Anniversary	\$144,300	\$142,500	\$8,750
16th Contract Anniversary before the step up	\$132,900	\$133,750	\$8,750
16th Contract Anniversary after the step up	\$132,900	\$133,750	\$8,750

- In this example, the PB Value was stepped up on the 13th Contract Anniversary because the Contract Value was greater than the PB Value. However, the GPWB Maximum was not stepped up because the current GPWB Maximum (\$8,750) was greater than 5% of the increased PB Value ($5\% \times \$160,000 = \$8,000$).
- There was no step up to either the PB Value or the GPWB Payment on the 16th Contract Anniversary in this example because the Contract Value was less than the PB Value.
- If on the 16th Contract Anniversary the Contract Value had grown to \$180,000, the remaining PB Value would be stepped up to \$180,000. The GPWB Maximum would also step up because 5% of the increased PB Value ($5\% \times \$180,000 = \$9,000$) is greater than the current GPWB Maximum (\$8,750), however, you would not be able to increase your actual GPWB Payment until the 17th Contract Anniversary because we do not automatically increase your actual GPWB Payment upon a step up.

Example of the effect of an Excess Withdrawal on GPWB Payments

- Continue the assumptions from the previous example except that you elect to receive \$600 per month as your actual GPWB Payment. If you do not take any Excess Withdrawals you would receive \$7,200 of GPWB Payments over the course of each Contract Year without incurring a withdrawal charge.
- Assume the Contract Value on the day of (but before) the Excess Withdrawal is \$150,000. The PB Value on the day of (but before) the Excess Withdrawal is \$170,200.

If you take a \$500 Excess Withdrawal in the 11th Contract Year after receiving the eighth monthly GPWB Payment:

The total partial withdrawals (GPWB Payments and the Excess Withdrawal) for the Contract Year = $\$7,200 + \$500 = \$7,700$. Because the total partial withdrawals are less than the \$8,750 GPWB Maximum, none of the withdrawals are subject to the withdrawal charge, and the Excess Withdrawal reduces both the PB Value and Contract Value by the amount withdrawn (\$500). The PB Value after the Excess Withdrawal would be $\$170,200 - \$500 = \$169,700$.

If you take a \$5,000 Excess Withdrawal in the 11th Contract Year after receiving the eighth monthly GPWB Payment:

The total partial withdrawals for the Contract Year = $\$7,200 + \$5,000 = \$12,200$. Because the total partial withdrawals are greater than the \$8,750 GPWB Maximum, some of the withdrawals are subject to the withdrawal charge. We determine which withdrawals are subject to the withdrawal charge as follows:

The GPWB Maximum.....	\$8,750
First eight GPWB Payments.....	– 4,800
Remaining GPWB Maximum.....	\$3,950
Portion of the Excess Withdrawal that is subject to the withdrawal charge = $\$5,000 - \$3,950 =$	\$1,050

When we compute the withdrawal charge we withdraw Purchase Payments on a “first-in-first-out” (FIFO) basis. Your initial Purchase Payment was \$100,000 and the withdrawal charge period for this payment has expired. Therefore, there is no withdrawal charge on the Excess Withdrawal.

We adjust the PB Value for the Excess Withdrawal as follows:

The PB Value on the day of (but before) the partial withdrawal.....	\$170,200.00
The amount of the Excess Withdrawal that does not exceed the GPWB Maximum.....	– 3,950.00
Reduced proportionately by the remaining amount of the Excess Withdrawal’s percentage of Contract	
Value on the day of (but before) the partial withdrawal = $\$1,050 / \$150,000 = 0.007 \times \$170,200 = \dots\dots$	– 1,191.40
Remaining PB Value after the Excess Withdrawal.....	<u>\$165,058.60</u>

In addition, because the Excess Withdrawal exhausts the GPWB Maximum for the year, the four remaining GPWB Payments are also subject to a withdrawal charge. To avoid a withdrawal charge you could instruct us to stop GPWB Payments for the remainder of the year.

APPENDIX E – DEATH BENEFIT CALCULATION EXAMPLES

- You purchased a May 2006 Contract with an initial Purchase Payment of \$100,000 (not including any bonus). You are the only Owner and are age 69 or younger on the Issue Date. You make no additional Purchase Payments.
- The MAV on the ninth Contract Anniversary is \$180,000.
- You take a partial withdrawal of \$20,000 (including the withdrawal charge) in the tenth Contract Year (\$5,000 of which is to pay financial adviser fees) when the Contract Value on the date of (but before the partial withdrawal) is \$160,000 and your bonus is 100% vested. The withdrawal charge period on the initial Purchase Payment has expired so there is no withdrawal charge on this partial withdrawal. You take no other partial withdrawals.
- The Contract Value on the tenth Contract Anniversary is \$140,000.

Traditional GMDB:

We calculate the death benefit on the tenth Contract Anniversary as the greater of:

1) Contract Value	<u>\$140,000</u>
2) The guaranteed death benefit value:	
Total Purchase Payments received	\$100,000
Reduced proportionately by the percentage of Contract Value	
withdrawn: (\$20,000 / \$160,000) = 0.125 x \$100,000 =	<u>- 12,500</u>
	<u>\$87,500</u>

Therefore, the death benefit payable as of the tenth Contract Anniversary is the \$140,000 Contract Value.

Third Enhanced GMDB:

We calculate the death benefit on the tenth Contract Anniversary as the greater of:

1) Contract Value	<u>\$140,000.00</u>
2) The 3% AIA:	
Initial Purchase Payment	\$100,000.00
Increased by 3% on the first Contract Anniversary	<u>x 1.03</u>
	\$103,000.00
Increased by 3% on the second Contract Anniversary	<u>x 1.03</u>
	106,090.00
Increased by 3% on the third Contract Anniversary	<u>x 1.03</u>
	\$109,272.70
On the ninth Contract Anniversary the 3% AIA is	\$130,477.32
Reduced proportionately by the percentage of Contract Value withdrawn:	
(\$20,000 / \$160,000) = 0.125 x \$130,477.32 =.....	<u>- 16,309.66</u>
	\$114,167.66
Increased by 3% on the tenth Contract Anniversary	<u>x 1.03</u>
	\$117,592.69
Verifying that the 3% AIA is within the maximum limit:	
1.5 times Purchase Payments: 1.5 x \$100,000 =.....	\$150,000
Reduced proportionately by the percentage of Contract Value withdrawn:	
(\$20,000 / \$160,000) = 0.125 x \$150,000 =.....	<u>- 18,750</u>
	\$131,250
3) The MAV:	
The MAV on the ninth Contract Anniversary	\$180,000
Reduced proportionately by the percentage of Contract Value withdrawn:	
(\$20,000 / \$160,000) = 0.125 x \$180,000 =.....	<u>- 22,500</u>
	<u>\$157,500</u>

Therefore, the death benefit payable as of the tenth Contract Anniversary is the \$157,500 MAV.

APPENDIX F – THE ORIGINAL CONTRACT

The Original Contract first became available on May 1, 2000 and was replaced in most states by the May 2003 Contract beginning May 5, 2003. Original Contracts differ from the May 2006 Contract described in the prospectus as follows:

- Lower M&E charge.
- The Enhanced GMIB with the 5% Annual Increase Amount (5% AIA) became available to Original Contracts on September 27, 2002 for an additional M&E charge.
- The Traditional PRIME Benefit and Enhanced PRIME Benefit became available to Original Contracts that did not already include the Enhanced GMIB with the 5% AIA on May 1, 2003 for an additional M&E charge. The Traditional PRIME Benefit and Enhanced PRIME Benefit are discussed in Appendix G.
- Offered the Fixed Account as a general account Investment Choice in most states. The Fixed Account offers an interest rate that may change annually, but cannot be less than the guaranteed minimum stated in your Contract. Purchase payments you allocate to the Fixed Account become part of our general account (for more information, please see section 6, Our General Account).
- For Original Contracts issued before June 16, 2000 Annuity Option 6 is available for variable and fixed Traditional Annuity Payments and GMIB Payments. For Original Contracts issued on or after June 16, 2000 Annuity Option 6 is generally only available for fixed Traditional Annuity Payments and GMIB Payments, but it continued to be available for variable Traditional Annuity Payments in some states.
- If you take variable Traditional Annuity Payments under Annuity Options 2, 4, or 6 we allow withdrawals during the Annuity Phase subject to a commutation fee (see Appendix B, Liquidations Under Annuity Options 2, 4, and 6).
- The Original Enhanced GMDB has an additional M&E charge and the guaranteed death benefit is the greater of:
 - the total Purchase Payments received (not including any bonus) reduced for each partial withdrawal (which is the guaranteed death benefit value available under the Traditional GMDB discussed in section 10), or
 - the Maximum Anniversary Value (MAV) calculated the same way as the MAV available under the Third Enhanced GMDB discussed in section 10.
- The Second Enhanced GMDB became available to Original Contracts on September 27, 2002 for an additional M&E charge and the guaranteed death benefit is the greater of the 5% AIA, or the MAV. We calculate the 5% AIA and MAV for the Second Enhanced GMDB in the same way as we do for the Enhanced GMIB as discussed later in this appendix.
- Included waiver of withdrawal charge benefits for no additional fee (see section 8, Access to Your Money).

ENHANCED GUARANTEED MINIMUM INCOME BENEFIT (GMIB)

The Enhanced GMIB first became available on September 27, 2002 for an additional M&E charge. It was available to newly issued Original Contracts and it was made available to inforce Original Contracts for a limited time. You cannot remove the Enhanced GMIB from your Contract, and you cannot stop GMIB Payments once they begin. GMIB Payments cannot begin before the tenth Contract Anniversary. Depending on the Annuity Option you select, your GMIB can provide guaranteed lifetime income, but if the Annuitant(s) die shortly after the Income Date the Payee may receive less than your investment in the Contract.

The Enhanced GMIB guarantees a minimum amount of fixed Annuity Payments (GMIB Payments) during the Annuity Phase based on a guaranteed value and the guaranteed fixed payout rates stated in your Contract.

The guaranteed value for the Enhanced GMIB is the greater of:

- A 5% annual increase on Purchase Payments (5% AIA).
- The Maximum Anniversary Value (MAV).

See the discussion later in this section more information on how we calculate 5% AIA and the MAV under the Enhanced GMIB.

If you take a GMIB Partial Annuitization, we continue to calculate the guaranteed value, but it will decrease because of the Partial Annuitization. If you take a GMIB Full Annuitization, we no longer calculate the guaranteed value on or after the Income Date.

GMIB FULL ANNUITIZATION: There may be situations where the guaranteed value used to calculate GMIB Payments is greater than the Contract Value, but the GMIB Payments are less than fixed Traditional Annuity Payments based on the Contract Value. This may occur because the guaranteed fixed payout rates available with GMIB may be less than the current fixed payout rates that are otherwise available under Traditional Annuity Payments. We base your Annuity Payments on whichever amount (the guaranteed value or Contract Value) produces the greater payment. ***If the Traditional Annuity Payments are greater than the GMIB Payments, you will have paid for the benefit without receiving the advantages of the Enhanced GMIB.***

GMIB Payments

GMIB Payments can begin on or after the tenth Contract Anniversary. You must submit your request to begin payments within 30 days following a Contract Anniversary by completing an income option election form. You can take either a Full Annuitization, or Partial Annuitization(s) if the guaranteed value is greater than the Contract Value.

GMIB Payments begin after we receive your request in Good Order at our Service Center. We make payments to you beginning on the 30th day after your Contract Anniversary. If the scheduled payment date does not fall on a Business Day, we make payment to you on the next Business Day. You can receive payments monthly, quarterly, semi-annually, or annually. If the scheduled payment date does not fall on a Business Day, we make payment to you on the next Business Day.

When Enhanced GMIB Ends

If GMIB Payments have not begun, it ends upon the earliest of the following.

- The Business Day that the guaranteed value and Contract Value are both zero.
- The Business Day before the Income Date you take a Full Annuitization and request Traditional Annuity Payments.
- When the Contract ends.
- The death of any Owner (unless the deceased Owner's spouse continues the Contract as the new Owner).

Each portion of the Contract that you apply to GMIB Payments ends upon the earliest of the following.

- Under Annuity Options 1 and 3, the death of the last surviving Annuitant.
- Under Annuity Options 2 and 4, the death of the last surviving Annuitant and either when the guaranteed period expires, or when we pay any final lump sum.
- Under Annuity Option 5, the death of the Annuitant and payment of any lump sum refund.
- Under Annuity Option 6, the expiration of the specified period certain.
- When the Contract ends.

The Enhanced GMIB may have limited usefulness if you have a Qualified Contract subject to a RMD. If you do not exercise the Enhanced GMIB on or before the date RMD payments must begin under a qualified plan, you may not be able to exercise the Enhanced GMIB. You should consider whether the Enhanced GMIB is appropriate for your situation if you plan to exercise the Enhanced GMIB after your RMD beginning date. For information on the taxation of GMIB Payments, please see section 12, Taxes.

CALCULATION OF THE 5% AIA AND MAV UNDER THE ENHANCED GMIB AND SECOND ENHANCED GMDB

If the endorsement effective date is the Issue Date, the 5% AIA and MAV were initially equal to the Purchase Payment (not including any bonus) received on the Issue Date. If the endorsement effective date occurs after the Issue Date, on the endorsement effective date the 5% AIA and MAV were initially equal to total Purchase Payments received (not including any bonus) reduced by the percentage of Contract Value withdrawn for each withdrawal.

Withdrawals include any vested bonus, Partial Annuitizations, and any withdrawal charges; but do not include amounts we withdraw for the transfer fee or contract maintenance charge.

5% Annual Increase Amount (5% AIA)

At the end of each Business Day, we adjust the 5% AIA as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of Contract Value withdrawn for each withdrawal.

On each Contract Anniversary before the end date, we increase the 5% AIA determined at the end of prior Business Day (after deduction of all Contract fees and expenses) by 5%. However, we limit this increase to 2 times your total Purchase Payments received (not including any bonus) reduced by the percentage of Contract Value withdrawn for each withdrawal.

Maximum Anniversary Value (MAV)

At the end of each Business Day, we adjust the MAV as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it for each partial withdrawal (see the GMDB adjusted partial withdrawal formula later in this section).

On each Contract Anniversary before the end date, we compare the MAV to the Contract Value (including any vested bonus) using values determined at the end of prior Business Day (after deduction of all Contract fees and expenses) and increase the MAV to equal this Contract Value if it is greater. On and after the end date, we no longer make this comparison and you will no longer receive lock ins of any annual investment gains.

The end date for the 5% AIA and MAV

The end date occurs on the earliest of:

- the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual),
- the end of the Business Day we receive the first Valid Claim from any one Beneficiary.

APPENDIX G – MAY 2003 CONTRACTS

The May 2003 Contract first became available on May 5, 2003 and was replaced in most states by the May 2006 Contract beginning May 1, 2006. May 2003 Contracts differ from the May 2006 Contract described in the prospectus as follows:

- For Contract issued before April 29, 2005, if you take variable Traditional Annuity Payments under Annuity Options 2 or 4 we allow withdrawals during the Annuity Phase subject to a commutation fee (see Appendix B, Liquidations Under Annuity Options 2, 4, and 6).
- Offered the Traditional PRIME Benefit and Enhanced PRIME Benefit for an additional M&E charge that cannot increase. You cannot remove a PRIME Benefit from your Contract after the Issue Date.
- We calculate the PB Value differently under the PRIME Benefits, and it cannot increase after GPWB Payments begin.
 - Under the Traditional PRIME Benefit we base the PB Value on total Purchase Payments adjusted for withdrawals.
 - Under the Enhanced PRIME Benefit we base the PB Value on the 3% AIA, 7% AIA, or MAV. The 7% AIA was not available to Contracts issued in Washington, and it does not have a reset feature.
- GPWB Payments do not have a step up feature, payments are only available annually, you cannot change the GPWB Payment amount after payments begin, and there is no required minimum payment.
- GPWB Payments reduce the guaranteed death benefit value differently as discussed under Using PRIME Benefits later in this appendix.

PROTECTED RETIREMENT INCOME MADE EASY (PRIME) BENEFITS

The PRIME Benefits were available at issue for an additional M&E charge.

We designed the PRIME Benefits for Owners who want flexibility in the way they turn accumulated retirement assets into a stream of fixed retirement income and can wait at least ten years before taking income. The PRIME Benefits include a GPWB and a GMIB. GPWB provides a guaranteed minimum amount of income in the form of partial withdrawals (GPWB Payments). However, GPWB Payments are not guaranteed for life and you could outlive your payment stream. The GMIB provides a guaranteed minimum fixed income in the form of Annuity Payments (GMIB Payments). Depending on the Annuity Option you select, the GMIB can provide guaranteed lifetime income, but if the Annuitant(s) die shortly after the Income Date the Payee may receive less than your investment in the Contract.

Although you cannot remove a PRIME Benefit from your Contract, you can end GPWB by:

- taking an Excess Withdrawal of the total Contract Value (including any vested bonus), or
- requesting a Full Annuitization.

Although you can elect to stop GPWB Payments and end the GPWB, you cannot elect to stop GMIB Payments after they have begun.

PRIME BENEFITS OVERVIEW

The GPWB guarantees a minimum amount of income in the form of partial withdrawals during the Accumulation Phase based on the PB Value.

With the Traditional PRIME Benefit, on the date GPWB Payments begin you can take up to 10% of your PB Value, which is the greatest of:

- Total Purchase Payments (not including any bonus) adjusted for withdrawals (Total Purchase Payments).
- The Contract Value (including any vested bonus) on the prior Contract Anniversary.

With the Enhanced PRIME Benefit, on the date GPWB Payments begin the PB Value is either:

- A 3% annual increase on Purchase Payments, not including any bonus (3% AIA). The 3% AIA is subject to a maximum of 1.5 times your total Purchase Payments received (not including any bonus) reduced for each partial withdrawal.
- A 7% annual increase on Purchase Payments received (not including any bonus) in the first five rider years adjusted for withdrawals (7% AIA). The 7% AIA is subject to a maximum of two times Purchase Payments received in the first five Contract Years reduced for each partial withdrawal.
- The Maximum Anniversary Value (MAV).
- The Contract Value (including any vested bonus) on the prior Contract Anniversary.

With the 7% AIA, your GPWB Payments are limited to 5% of the PB Value. However, you can take up to 10% of your PB Value with the 3% AIA or MAV.

The GMIB guarantees a minimum amount of fixed Annuity Payments during the Annuity Phase based on PB Value and the guaranteed fixed payout rates stated in your Contract, which use a 1% interest rate if you select Annuity Option 6 or the PB Value is the 7% AIA. You can take GMIB Payments under a Full Annuitization, or as Partial Annuitization(s) before GPWB Payments begin if PB Value is greater than Contract Value.

On the date GMIB Payments begin, the Traditional PRIME Benefit's PB Value is Total Purchase Payments, and the Enhanced PRIME Benefit's PB Value is either the 3% AIA, 7% AIA, or MAV. All Annuity Options are available for GMIB Payments if you have the Traditional PRIME Benefit, or if you have the Enhanced PRIME Benefit and your PB Value is the 3% AIA or MAV. However, **with the 7% AIA only Annuity Options 2 and 4 are available.**

PB VALUE

We base GPWB Payments and/or GMIB Payments on the PB Value. **Bonus amounts do not become part of the PB Value that is based on Contract Value until they are vested, and the bonus is not part of the PB Value that is based on Purchase Payments.**

On the Rider Effective Date, and on each Business Day before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization, the Traditional PRIME Benefit's PB Value includes Total Purchase Payments, and Enhanced PRIME Benefit's PB Value includes 3%AIA, 7% AIA, and MAV.

If you have the Traditional PRIME Benefit and request GPWB Payments, on the date GPWB Payments begin you can take up to 10% of the PB Value, which is the greater of Total Purchase Payments, or Contract Value on the prior Contract Anniversary (calculated as discussed below).

If you have the Enhanced PRIME Benefit and request GPWB Payments, we calculate your GPWB Payments on the date payments begin as follows.

If MAV is greater than both the 3% AIA and 7% AIA...	
You can take up to 10% the PB Value, which is the greater of:	
<ul style="list-style-type: none"> - the MAV determined at the end of the prior Business Day, or - the Contract Value as of the prior Contract Anniversary. 	
If MAV is less than both the 3% AIA and 7% AIA...	
You are willing to limit GPWB Payments to 5% of the PB Value, the PB Value is the greater of:....	You want to take GPWB Payments of up to 10% of the PB Value, the PB Value is the greater of:....
<ul style="list-style-type: none"> • 7% AIA determined at the end of the prior Business Day, or • the Contract Value as of the prior Contract Anniversary. 	<ul style="list-style-type: none"> • the 3% AIA determined at the end of the prior Business Day, or • the Contract Value as of the prior Contract Anniversary.
If only the 7% AIA is greater than the MAV...	
You are willing to limit GPWB Payments to 5% of the PB Value, the PB Value is the greater of:....	You want to take GPWB Payments of up to 10% of the PB Value, the PB Value is the greater of:....
<ul style="list-style-type: none"> • 7% AIA determined at the end of the prior Business Day, or • the Contract Value as of the prior Contract Anniversary. 	<ul style="list-style-type: none"> • the MAV determined at the end of the prior Business Day, or • the Contract Value as of the prior Contract Anniversary.
<p>We compute the the Contract Value on the prior Contract Anniversary for both the Traditional PRIME Benefit and Enhanced PRIME Benefit as follows:</p> <ul style="list-style-type: none"> • Contract Value (including any vested bonus) determined at the end of the last Business Day before the prior Contract Anniversary, • less any withdrawals or amounts applied to a traditional Partial Annuitization taken since that date, and • reduced proportionately by the percentage of PB Value applied to any GMIB Partial Annuitization taken since that date. 	

If you request GMIB Payments, on the date GMIB Payments begin the Traditional PRIME Benefit's PB Value is Total Purchase Payments, and the Enhanced PRIME Benefit's PB Value is as follows.

- If the MAV is greater than both the 3% AIA and 7% AIA, the PB Value is the MAV.

- If the MAV is less than both the 3% AIA and 7% AIA, you can decide whether to set the PB Value equal to the 3% AIA or 7% AIA
- If only the 7% AIA is greater than the MAV, you can decide whether to set the PB Value equal to the 7% AIA or MAV.

When you can decide to set the Enhanced PRIME Benefit's PB Value equal the 7% AIA, keep in mind that the **7% AIA is only available if you select Annuity Options 2, or 4**. Different Annuity Options can provide higher or lower GMIB Payments. Because the 7% AIA is only available under Annuity Options 2 and 4, it is possible that an Annuity Option other than 2 or 4, combined with a lower 3% AIA or MAV, could result in a higher Enhanced GMIB Payment. ***In this instance, you can compare Enhanced GMIB Payments available with the 7% AIA and 3% AIA or MAV, and choose the Annuity Option that you feel is most appropriate.***

Total Purchase Payments

While the Traditional PRIME Benefit is in effect, we only calculate Total Purchase Payments before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization.

If endorsement effective date was the Issue Date, Total Purchase Payments was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date. If endorsement effective date was after the Issue Date, Total Purchase Payments was initially equal to the Contract Value (including any vested bonus) at the end of the prior Business Day.

At the end of each Business Day, we adjust Total Purchase Payments as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- We reduce it by the dollar amount applied to GMIB Payments if you take a GMIB Partial Annuitization.

3% Annual Increase Amount (3% AIA)

While the Enhanced PRIME Benefit is in effect, we only calculate the 3% AIA before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization.

If the endorsement effective date was the Issue Date, the 3% AIA was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date. If the endorsement effective date was after the Issue Date, on the endorsement effective date the 3% AIA was initially equal to the Contract Value (including any vested bonus) at the end of the prior Business Day.

At the end of each Business Day, we adjust the 3% AIA as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- If you take a GMIB Partial Annuitization based on the:
 - 3% AIA, we reduce it by the dollar amount applied to GMIB Payments.
 - 7% AIA, we reduce it by the percentage of 7% AIA applied to GMIB Payments.
 - MAV, we reduce it by the percentage of MAV applied to GMIB Payments.

On each Contract Anniversary before the end date, we increase the 3% AIA determined at the end of prior Business Day (after deduction of all Contract fees and expenses) by 3%. On and after the end date, we no longer apply the 3% increase.

We limit the 3% AIA to a maximum of:

- 1.5 times the total Purchase Payments received (not including any bonus),
- reduced by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- reduced proportionately by the percentage of PB Value applied to each GMIB Partial Annuitization.

7% Annual Increase Amount (7% AIA)

While the Enhanced PRIME Plus Benefit is in effect, we only calculate the 7% AIA before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization.

If the endorsement effective date was the Issue Date, the 7% AIA was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date. If the endorsement effective date was after the Issue Date, on the endorsement effective date 7% AIA was initially equal to the Contract Value (including any vested bonus) at the end of the prior Business Day.

At the end of each Business Day, we adjust the 7% AIA as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- If you take a GMIB Partial Annuitization based on the:
 - 3% AIA, we reduce it by the percentage of 3% AIA applied to GMIB Payments.
 - 7% AIA, we reduce it by the dollar amount applied to GMIB Payments.
 - MAV, we reduce it by the percentage of MAV applied to GMIB Payments.

On each Contract Anniversary before the end date, we increase the 7% AIA determined at the end of prior Business Day (after deduction of all Contract fees and expenses) by 7%. On and after the end date, we no longer apply the 7% increase.

We limit the 7% AIA to a maximum of:

- 2 times the total Purchase Payments (not including any bonus) received in the first five Contract Years,
- reduced by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- reduced proportionately by the percentage of PB V applied to each GMIB Partial Annuitization.

Maximum Anniversary Value (MAV)

While the Enhanced PRIME Benefit is in effect, we only calculate the MAV before the earlier of the date GPWB Payments begin, or the Income Date that you take a Full Annuitization.

If the endorsement effective date was the Issue Date, the MAV was initially equal to the Purchase Payment (not including any bonus) received on the Issue Date. If the endorsement effective date was after the Issue Date, on the endorsement effective date MAV was initially equal to the Contract Value (including any vested bonus) at the end of the prior Business Day.

At the end of each Business Day, we adjust the MAV as follows.

- We increase it by the amount of any additional Purchase Payments (not including any bonus).
- We reduce it by the percentage of any Contract Value withdrawn (including any vested bonus and withdrawal charge) or applied to a traditional Partial Annuitization.
- If you take a GMIB Partial Annuitization based on the:
 - 3% AIA, we reduce it by the percentage of 3% AIA applied to GMIB Payments.
 - 7% AIA, we reduce it by the percentage of 7% AIA applied to GMIB Payments.
 - MAV, we reduce it by the dollar amount applied to GMIB Payments.

On each Contract Anniversary before the end date, we compare the MAV to the Contract Value (including any vested bonus) using values determined at the end of the prior Business Day (after deduction of all Contract fees and expenses) and increase the MAV to equal this Contract Value if it is greater. On and after the end date, we no longer make this comparison and you will no longer receive lock ins of any annual investment gains.

The end date for the 3% AIA, 7% AIA, and MAV

The end date is the older Owner's 81st birthday (or the Annuitant's 81st birthday if the Contract is owned by a non-individual).

USING PRIME BENEFITS

GPWB Payments and GMIB Payments can begin on or after the tenth Contract Anniversary. You must submit your request to begin payments within 30 days following a Contract Anniversary. You can choose to take GPWB Payments, GMIB Payments, or both subject to the restrictions listed here.

You request GPWB Payments by completing a GPWB Payment election form. **Once you select the GPWB Payment amount, you cannot change it.**

You request GMIB Payments by completing the annuitization forms packet. You can take either a Full Annuitization, or before GPWB Payments begin, you can take Partial Annuitization(s) if the PB Value is greater than the Contract Value (including any vested bonus).

Payments begin after we receive your request in Good Order at our Service Center. We make GPWB Payments to you beginning on the 30th day after your Contract Anniversary. If your Contract Anniversary is the 1st through the 10th of the month, we make GMIB Payments to you beginning on the 1st of the next month (e.g., if your Contract Anniversary is August 5th, GMIB Payments begin on September 1st). If your Contract Anniversary is on or after the 11th of the month, we make GMIB Payments to you beginning on the 1st of the second month that occurs after your Contract Anniversary (e.g., if your Contract Anniversary is August 12th, GMIB Payments begin on October 1st). GPWB Payments are only available on an annual basis. However, you can receive GMIB Payments monthly, quarterly, semi-annually, or annually. If the scheduled payment date does not fall on a Business Day, we make payment to you on the next Business Day.

GPWB PAYMENTS

After the date GPWB Payments begin:

- We no longer calculate the Total Purchase Payments if you have the Traditional PRIME Benefit, or 3% AIA, 7% AIA, or MAV if you have the Enhanced PRIME Benefit.
- You cannot take new Partial Annuitizations. **If you take a Full Annuitization, GPWB Payments stop and the GPWB ends.**
- For Contracts issued in Connecticut, Florida, or New Jersey, you cannot make additional Purchase Payments, so you also cannot start a new DCA Fixed Option.
- Any active automatic investment plan, systematic withdrawal and/or minimum distribution programs end.
- The partial withdrawal privilege is not available.
- The additional M&E charge for PRIME Benefit continues until the GPWB ends.
- If you have Enhanced GMDB its additional M&E charge continues until the benefit ends.
- The Rewards Value and Contract Value continue to fluctuate as a result of Investment Choice performance, and it decreases on a dollar for dollar basis with each GPWB Payment and any Excess Withdrawal, and the deduction of Contract charges other than the Separate Account annual expenses. Any unvested bonus continues to vest.
 - An Excess Withdrawal is an additional withdrawal you take while you are receiving GPWB Payments. **An Excess Withdrawal is subject to any applicable withdrawal charge and reduces the Withdrawal Charge Basis. Excess Withdrawals may decrease the time over which you receive GPWB Payments, or cause your GPWB Payments to stop and your GPWB to end.**
- The guaranteed death benefit value no longer increases. Each GPWB Payment reduces the guaranteed death benefit value on a dollar for dollar basis, and each Excess Withdrawal (including any vested bonus and withdrawal charge) reduces the guaranteed death benefit value proportionately by the percentage of Contract Value withdrawn.
- We deduct each GPWB Payment and any Excess Withdrawal proportionately from the Investment Options. You can continue to make transfers between the Investment Options while your benefit is in effect, subject to the restrictions in section 5, Investment Options – Transfers Between Investment Options.
- The PB Value no longer increases, and each GPWB Payment and Excess Withdrawal reduces the PB Value as follows:
 - GPWB Payments reduces the PB Value on a dollar for dollar basis, and
 - Excess Withdrawals taken during the Contract Year reduce the PB Value proportionately by the percentage of Contract Value withdrawn (including any withdrawal charge).

Once the PB Value is less than the GPWB Payment amount, you receive one last GPWB Payment that is equal to the remaining PB Value.

If your Contract Value reduces to zero but your PB Value is positive, you will continue to receive GPWB Payments until we payout the total PB Value. If you take the maximum GPWB Payment available to you and take no Excess Withdrawals, we would pay the PB Value to you:

- within ten years if you take 10% of the PB Value, or
- within 20 years if you take 5% of the PB Value.

If there is Contract Value remaining after we have paid out the total PB Value, you can elect to either:

- receive a lump sum payment of the entire remaining Contract Value (less any withdrawal charges), the Accumulation Phase of the Contract ends, and the Contract ends unless we are also making Annuity Payments under a prior Partial Annuitization; or
- request Traditional Annuity Payments under a Full Annuitization based on the entire remaining Contract Value.

We send you notice at least 30 days before the last GPWB Payment date to ask for your instructions. If we do not receive any instructions from you by the date we make the last GPWB Payment, we pay you the entire remaining Contract Value (less any withdrawal charges) in a lump sum, the Accumulation Phase ends, and the Contract ends unless we are also making Annuity Payments under a prior Partial Annuitization.

We treat GPWB Payments as withdrawals for tax purposes as discussed in section 12, Taxes – Taxation of GPWB Payments.

GMIB PAYMENTS

If you take a Full Annuitization:

- The Accumulation Phase ends and the Annuity Phase begins.
- On or after the Income Date we no longer calculate the PB Value or its underlying values (the Total Purchase Payments if you have the Traditional PRIME Benefit, or 3% AIA, 7% AIA, or MAV if you have the Enhanced PRIME Benefit).
- Your death benefit ends.
- If you were taking GPWB Payments, they stop and the GPWB ends.
- The portion of the Contract that you apply to GMIB Payments is no longer subject to the Separate Account annual expense, but any portion of the Contract that you applied to variable Traditional Annuity Payments continues to be subject to a 1.70% Separate Account annual expense.

GMIB FULL ANNUITIZATION: There may be situations where the PB Value is greater than the Contract Value, but the GMIB Payments are less than fixed Traditional Annuity Payments based on the Contract Value. This may occur because the guaranteed fixed payout rates available with GMIB may be less than the current fixed payout rates that are otherwise available under Traditional Annuity Payments. We base your Annuity Payments on whichever amount (PB Value or Contract Value) produces the greater payment. ***If the Traditional Annuity Payments are greater than the GMIB Payments, you will have paid for your PRIME Benefit without receiving the advantages of the GMIB.***

If you take a Partial Annuitization:

- The Annuity Phase begins and the Accumulation Phase continues.
- For Contracts issued in Connecticut, Florida, or New Jersey, you can make additional Purchase Payments for any portion of the Contract is still in the Accumulation Phase subject to the \$1 million maximum stated in section 3.
- We continue to calculate the PB Value. However, the Partial Annuitization reduces its underlying values (Total Purchase Payments if you have the Traditional PRIME Benefit, or 3% AIA, 7% AIA, or MAV if you have the Enhanced PRIME Benefit).
- Your death benefit and the GPWB continue to be available to you.
- The Rewards Value continues to fluctuate as a result of Investment Choice performance.
- The Partial Annuitization reduces each Purchase Payment, Contract Value, and the guaranteed death benefit value by the percentage of PB Value you apply to GMIB Payments. However, GMIB Payments do not reduce the Contract Value available under the portion of the Contract that is in the Accumulation Phase.
- The portion of the Contract that you apply to GMIB Payments is no longer subject to the Separate Account annual expense, but any portion of the Contract that is in the Accumulation Phase or that has been applied to variable Traditional Annuity Payments continues to be subject to the appropriate Separate Account annual expense.

The GMIB may have limited usefulness if you have a Qualified Contract subject to a RMD. If you do not exercise the GMIB on or before the date RMD payments must begin under a qualified plan, you may not be able to exercise the GMIB. You should consider whether the GMIB is appropriate for your situation if you plan to exercise the GMIB after your RMD beginning date.

WHEN GPWB ENDS

GPWB ends upon the earliest of the following.

- The Business Day you take an Excess Withdrawal of the total Contract Value.
- The Business Day that the PB Value and Contract Value are both zero.
- The Business Day before the Income Date that you take a Full Annuitization.
- When the Contract ends.
- The death of any Owner (unless the deceased Owner's spouse continues the Contract as the new Owner).

WHEN GMIB ENDS

If you have not exercised GMIB, it ends upon the earliest of the following.

- The Business Day that the PB Value and Contract Value are both zero.
- The Business Day before the Income Date you take a Full Annuitization and request Traditional Annuity Payments.
- When the Contract ends.
- The death of any Owner (unless the deceased Owner's spouse continues the Contract as the new Owner).

Each portion of the Contract that you apply to GMIB Payments ends upon the earliest of the following.

- Under Annuity Options 1 and 3, the death of the last surviving Annuitant.
- Under Annuity Options 2 and 4, the death of the last surviving Annuitant and either when the guaranteed period expires, or when we pay any final lump sum.
- Under Annuity Option 5, the death of the Annuitant and payment of any lump sum refund.
- Under Annuity Option 6, the expiration of the specified period certain.
- When the Contract ends.

FOR SERVICE OR MORE INFORMATION

The SEC maintains a website (www.sec.gov). The prospectus, the SAI and other information about the Contract are available on the EDGAR database on the SEC's website. Copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov.

OUR SERVICE CENTER

If you need customer service (for Contract changes, information on Contract Values, requesting a withdrawal or transfer, changing your allocation instructions, etc.) please contact our Service Center at **(800) 624-0197**.

To send a check for an additional Purchase Payment (for Contracts issued in Connecticut, Florida, and New Jersey) or for general customer service, please mail to the appropriate address as follows:

Send an additional Purchase Payment with a check:	For general customer service without a check:
REGULAR MAIL Allianz Life Insurance Company of North America NW5989 P.O. Box 1450 Minneapolis, MN 55485-5989	REGULAR MAIL Allianz Life Insurance Company of North America P.O. Box 561 Minneapolis, MN 55440-0561
OVERNIGHT, CERTIFIED, OR REGISTERED MAIL Allianz Life Insurance Company of North America NW5989 1801 Parkview Drive Shoreview, MN 55126	OVERNIGHT, CERTIFIED, OR REGISTERED MAIL Allianz Life Insurance Company of North America 5701 Golden Hills Drive Golden Valley, MN 55416-1297

Checks sent to the wrong address for an additional Purchase Payments are forwarded to the 1801 Parkview Drive address listed above, which may delay processing.

For general customer service by email, please use this address: Contact.Us@allianzlife.com. To send information by email, please use this address: variableannuity@send.allianzlife.com. To send information over the web, please upload to your account on our website at: www.allianzlife.com. If you have questions about whether you can submit certain information by email or over the web, please contact our Service Center.

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