

*Get a 5% bonus  
on premium dollars*

*Protect your principal from market loss*



*Lock in your index gains  
and get your best year's  
growth – guaranteed!*

*Take advantage of potential index gains*

## 5% Bonus PowerDex Elite™ Annuity

*A flexible-premium, equity index annuity offering a 5% premium bonus*



## 5% Bonus PowerDex Elite Annuity: Stability and safety, plus the opportunity for growth.

Until recently, millions of Americans felt the stock market was the best choice to grow their retirement nest eggs. They confidently counted on the stock market to fund their retirement years.

*Now, however, they're not so sure.  
Maybe you feel the same uneasiness.*

You've watched as your stock portfolio dropped, perhaps dramatically. You've wondered how – or if – you would make up those losses. And you've had serious questions as to whether the market was the solution or, in fact, the problem.

It's time to look at the market again, but from the new – and different – perspective offered by the Allianz Life® 5% Bonus PowerDex Elite™ Annuity.



Index adjustments are made to your Index Earning Value at the end of each year. Index adjustments may be positive or negative. Positive index adjustments may be limited to an annual maximum. After the first year, current interest may fluctuate but will never fall below 2% for the Interim Interest Account. Past performance does not guarantee future results. The accumulation value is available at the end of 12 years in a lump sum. To receive the accumulation value in a payout, annuity payments may not begin prior to the sixth policy year and must be taken over a minimum of 10 years. Surrender charges may be applied if the policy is annuitized prior to the sixth year, if annuity payments are taken for less than 10 years, or if the policy is surrendered for cash. Twelve-year decreasing surrender charge starts at 15% on the date of policy issue and decreases monthly starting policy year six. The minimum guaranteed interest rate in payout is 1%. The payout rate depends on age of policy and payout option selected. The 5% Bonus PowerDex Elite Annuity issued by Allianz Life Insurance Company of North America (P50487 and state variations if applicable).

# 5% Bonus PowerDex Elite Annuity is right – from the start.

## *What is the 5% Bonus PowerDex Elite Annuity?*

The 5% Bonus PowerDex Elite Annuity is a flexible-premium point-to-point, equity index annuity that offers retirement features and index earnings tied to changes in the S&P 500 Index. The 5% Bonus PowerDex Elite Annuity is an insurance product, not an S&P 500 indexed mutual fund or other equity investment.

## *Can I open a 5% Bonus PowerDex Elite Annuity and then add more money later?*

You can get all the benefits offered by the 5% Bonus PowerDex Elite with an initial premium amount of \$25,000 or more. You can add money at any time during the first five policy years and receive an immediate premium bonus.

## *Down the road, can I walk away with my money, or do I have to agree to a multi-year payout schedule?*

The 5% Bonus PowerDex Elite lets you walk away with its full accumulation value, including your premium bonus and market index gains – with no surrender charges – after 12 policy years. But by leaving your money in your 5% Bonus PowerDex Elite, you maximize its tax-deferred growth potential.

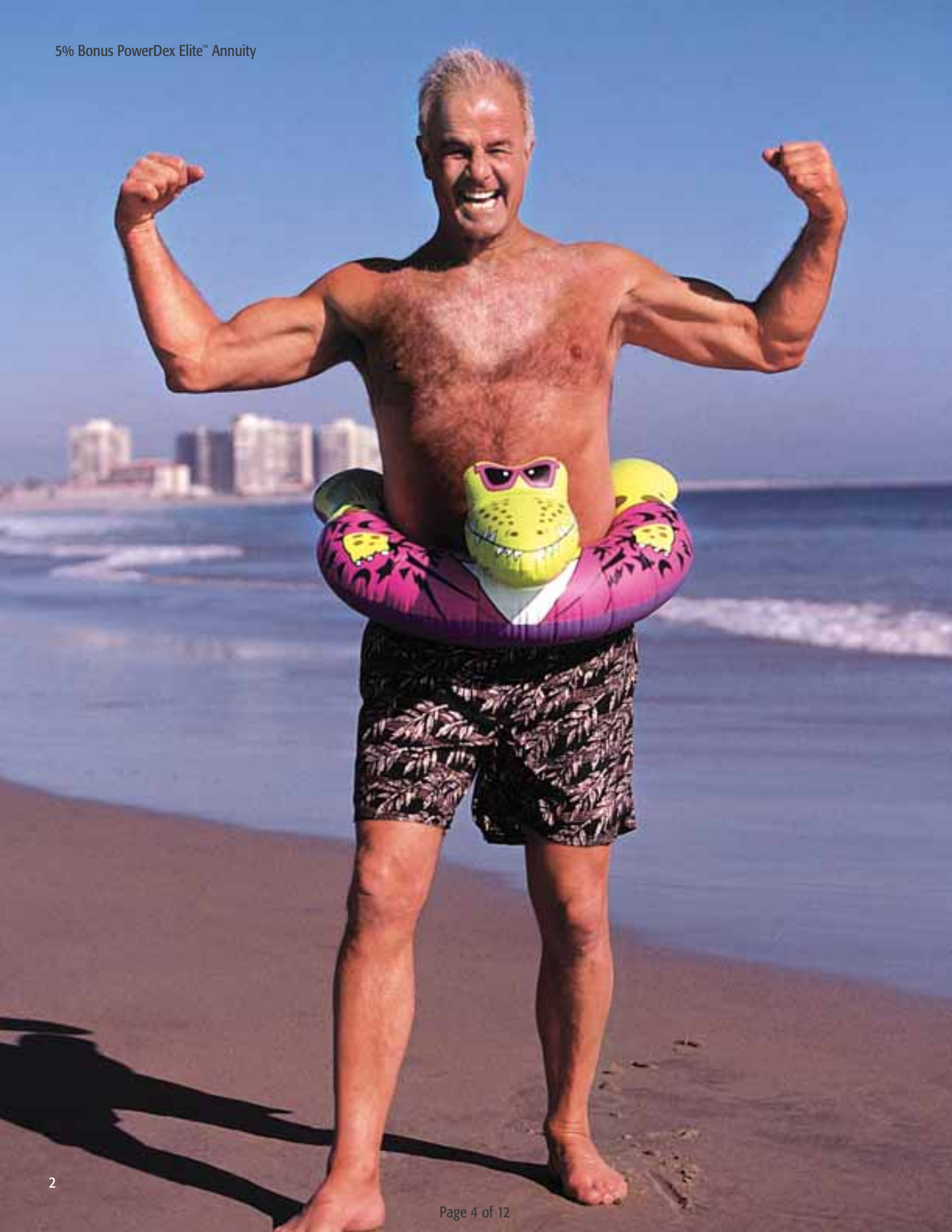
True to its name, the 5% Bonus PowerDex Elite starts with a bonus. This bonus can, for example, help you immediately recoup some of your recent market losses. The 5% Bonus PowerDex Elite then offers you a chance to ride the crests when the market is surging, but hang on and tread water when it starts to fall.

## The 5% Bonus PowerDex Elite:

- *Offers a 5% bonus on all premium received throughout the first five policy years.*
- *Lets you take full advantage of each year's S&P 500 Index gains, up to an established limit.*
- *Locks in your annual S&P 500 Index gains and assures you your highest value in the future.*
- *Guarantees your principal from market loss.*

## Let's take a closer look at the 5% Bonus PowerDex Elite Annuity.

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## There's an old adage, "No Pain. No Gain." The 5% Bonus PowerDex Elite Annuity proves it isn't true.

### *What is point-to-point annual indexing?*

The value of your 5% Bonus PowerDex Elite Annuity responds to changes in the S&P 500 Index. Those positive (or negative) changes are determined by comparing where the Index stands at two points in time. The first point is your policy anniversary (or the date your policy was issued); the second point is 365 days later. The change in the S&P 500 Index between Point A and Point B is your annuity's Index Earning Value for the policy year.

### *What is a cap, and what is the cap on my 5% Bonus PowerDex Elite?*

Your policy's Index Earning Value can increase right along with the S&P 500 Index that helped determine it. In some years, though, the increase in your 5% Bonus PowerDex Elite Annuity's value may be limited by a cap, or maximum growth percentage. Your agent can tell you the current cap for your 5% Bonus PowerDex Elite.

### *Will my initial premium ever drop due to fees or sales charges?*

105% of your premium is credited to your annuity's accumulation value. If you decide to terminate your policy before its 12th anniversary, however, the amount you receive will be reduced by a surrender charge.

### **Immediate gain with a 5% premium bonus**

The 5% Bonus PowerDex Elite Annuity puts you ahead right from the start. It gives you a 5% bonus on an initial premium amount of \$25,000 or more (qualified or nonqualified). You receive the same bonus on any additional premium received for five full policy years. Premium of \$500,000 or more may require prior Home Office approval.

### **100% of market index growth**

With the 5% Bonus PowerDex Elite, you can potentially profit from tax-deferred growth based upon gains in the S&P 500 Index. First, it offers you 100% participation in S&P 500 Index gains. When the S&P rises, the value of your 5% Bonus PowerDex Elite can rise with it.

In addition, the 5% Bonus PowerDex Elite has a point-to-point annual indexing design to provide you a greater share of potential market index gains. Please note that in any given year index gains, if great enough, may be limited to a maximum amount called the cap.

### **Your best year's gains are automatically locked**

As we mentioned, the value of your 5% Bonus PowerDex Elite can rise with the S&P 500. When the market ebbs down, however, the 5% Bonus PowerDex Elite protects your nest egg by automatically locking in the gains you achieved in your best policy year. This becomes your policy's minimum value five years later.

### **Your initial principal is never subject to market risk**

A downturn in the market cannot have a negative impact on your 5% Bonus PowerDex Elite policy's initial principal and bonus. We guarantee it.

# Lock in your best year's gains for years to come.

*How do I determine the value of my 5% Bonus PowerDex Elite Annuity?*

It's easy. You always get the GREATER of your current Index Earning Value or your vested high water value, minus any applicable surrender charge.

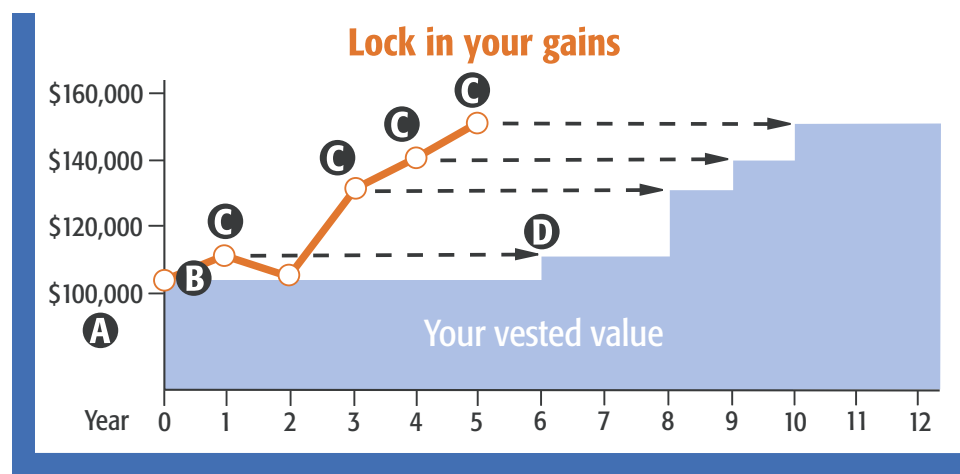
## Benefit from indexed growth now. Lock in your best year's growth for the future.

Here's how changes in the S&P 500 Index determine annual Index Earning Value.

As the years pass, the highest Index Earning Value establishes your policy's **high water value**. You become vested in any given year's high water value five years later.

Please note: The \$100,000 hypothetical initial premium amount PLUS the initial premium bonus are guaranteed safe regardless of changes in the annuity's Index Earning Values.

- A** Your initial premium amount is \$100,000.
- B** It is immediately increased by the bonus, then guaranteed.
- C** As the policy years pass, the highest Index Earning Value becomes the current high water value for your annuity.
- D** Your annuity's high water value is vested, locked in, and available to you five years later. For example, the high water value established in year one is vested in year six.



# Get the best of both worlds with the 5% Bonus PowerDex Elite Annuity.

With the 5% Bonus PowerDex Elite, you benefit from gains in the S&P 500 Index.

When the market index is on the rise, the 5% Bonus PowerDex Elite Annuity is a great idea because your annuity's Index Earning Values rise along with it.

As mentioned earlier, your annual gains are subject to a cap. But that **cap is calculated on your high water value, not your current Index Earning Value. This makes it easier for you to rebound** following declines in your Index Earning Value.

5% Bonus PowerDex Elite can protect you when the market drops.

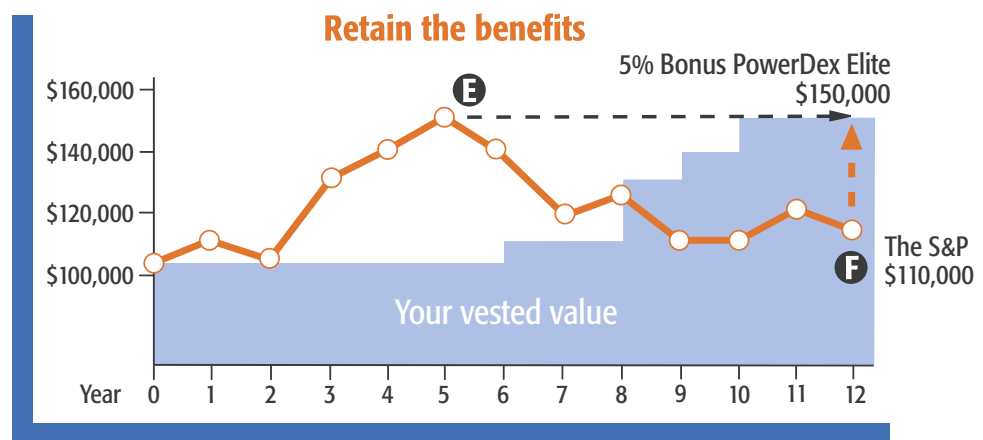
When the market slumps, the high water design of the 5% Bonus PowerDex Elite lets you retain more of what you've gained. Your annuity value is always the GREATER of:

- Your current-year Index Earning Value; or
- The vested high water value your annuity has achieved and locked in.

**Please note:** A surrender charge will apply during the first 12 policy years.

**E** This chart is a continuation of the previous one. Note that after five strong years, the market begins to drop – but you're safe! Your annuity's high water value, achieved in year five, becomes locked in and vested five years later.

**F** At year 12, the guaranteed value of your 5% Bonus PowerDex Elite Annuity is \$40,000 ahead of the S&P Index. You participated in the market's gains, and were shielded from its losses.



# The 5% Bonus PowerDex Elite Annuity gives you the freedom to access your money in several ways.

## What's a surrender charge?

Annuities like our 5% Bonus PowerDex Elite are designed to address long-term financial goals. So if you decide to terminate your policy before your 12th policy anniversary, the amount you receive will be reduced by a surrender charge. The chart below shows potential surrender charges.

| Surrender charge percentages |                    |
|------------------------------|--------------------|
| End of policy year           | Surrender charge % |
| 1                            | 15.00%             |
| 2                            | 15.00%             |
| 3                            | 15.00%             |
| 4                            | 15.00%             |
| 5                            | 15.00%             |
| 6                            | 13.02%             |
| 7                            | 10.86%             |
| 8                            | 8.70%              |
| 9                            | 6.54%              |
| 10                           | 4.38%              |
| 11                           | 2.22%              |
| 12+                          | 0                  |

Beginning in policy year six, the surrender charge percentage will decrease by .18% on each monthly anniversary date.

## Take free withdrawals

You may take up to a 5% penalty-free withdrawal per year as long as it occurs 12 months after the last premium is received, no more than one partial surrender is taken within a 12-month period, and the cumulative withdrawals do not exceed 25% of the sum of the premiums received. If, within one year of a penalty-free withdrawal, the policy is annuitized, additional premium is received, or another withdrawal is taken, the penalty-free withdrawal will be treated retroactively as a partial surrender.

## Schedule Systematic Withdrawal of Credits

Lump-sum payments are available after your fifth policy anniversary. The credits available in a policy year are equal to any unpaid credits your 5% Bonus PowerDex Elite earned five years ago and earlier.

## Take a policy loan

A policy loan may be taken for up to 50% of the cash surrender value (maximum of \$50,000). The loan interest rate is 7.4% in advance. Loans are not available with IRA, SEP or some other qualified plans. Unpaid loans will be treated as a partial surrender.

## Surrender with lump-sum payout

Walk away with your annuity's full accumulation value at any time after 12 policy years. If you decide to terminate your policy before its 12th policy anniversary, the amount you receive will be reduced by a surrender charge, as shown in the chart to the left.

## Take a required minimum distribution

Required minimum distributions from a tax-qualified plan (IRA, SEP, etc.) will qualify as a penalty-free withdrawal if taken annually in December or monthly throughout the year. Policy values and the amount available for free withdrawal will be reduced by the distribution amount withdrawn.

## Access your money sooner for nursing home care<sup>1</sup>

If you, as the policyowner, should enter a nursing home, long-term care facility, or hospital for at least 30 days out of a 35 consecutive day period after the first policy year, you may take an accelerated distribution of your policy's accumulation value over a period as short as five years. Payments under the Nursing Home Benefit will be based on your policy's accumulation value.

<sup>1</sup> Not available in all states



## Here's a look at the power of the 5% Bonus PowerDex Elite Annuity.

This chart shows the actual S&P Index values from 1991 to 2003, and the corresponding values the 5% Bonus PowerDex Elite would have generated. The amounts shown are based on a hypothetical December 31, 1991 contract date; \$100,000 initial premium plus a 5% premium bonus; along with an 8% cap. We show a 12-year time frame to correspond with the 12-year surrender period of the 5% Bonus PowerDex Elite.

Note that in any given year, the annuity value column (5) equals the GREATER of the Index Earning Value (2) or the vested high water value (4). A surrender charge will apply through year 12. Here's a look at the numbers:

| Issue date: 12/31/1991 |          |               |                        |                     |                            |                       |
|------------------------|----------|---------------|------------------------|---------------------|----------------------------|-----------------------|
| Policy year            | Date     | 1. S&P return | 2. Index Earning Value | 3. High water value | 4. Vested high water value | 5. Your annuity value |
|                        | 12/31/91 | —             | \$105,000              | \$105,000           | \$105,000                  | <b>\$105,000</b>      |
| 1                      | 12/31/92 | 4.46%         | 109,687                | 109,687             | 105,000                    | <b>109,687</b>        |
| 2                      | 12/31/93 | 7.06%         | 117,426                | 117,426             | 105,000                    | <b>117,426</b>        |
| 3                      | 12/31/94 | -1.54%        | 115,619                | 117,426             | 105,000                    | <b>115,619</b>        |
| 4                      | 12/31/95 | 34.11%        | 126,820                | 126,820             | 105,000                    | <b>126,820</b>        |
| 5                      | 12/31/96 | 20.26%        | 136,966                | 136,966             | 105,000                    | <b>136,966</b>        |
| 6                      | 12/31/97 | 31.01%        | 147,923                | 147,923             | 109,687                    | <b>147,923</b>        |
| 7                      | 12/31/98 | 26.67%        | 159,757                | 159,757             | 117,426                    | <b>159,757</b>        |
| 8                      | 12/31/99 | 19.53%        | 172,537                | 172,537             | 117,426                    | <b>172,537</b>        |
| 9                      | 12/31/00 | -10.14%       | 155,044                | 172,537             | 126,820                    | <b>155,044</b>        |
| 10                     | 12/31/01 | -13.04%       | 134,822                | 172,537             | 136,966                    | <b>136,966</b>        |
| 11                     | 12/31/02 | -23.37%       | 103,319                | 172,537             | 147,923                    | <b>147,923</b>        |
| 12                     | 12/31/03 | 26.38%        | 130,575                | 172,537             | 159,757                    | <b>159,757</b>        |
| 13                     | 12/31/04 | ??            | ??                     | ??                  | 172,537                    | <b>172,537</b>        |
| 14                     | 12/31/05 | ??            | ??                     | ??                  | 172,537                    | <b>172,537</b>        |

Based on the index performance shown, you could simply walk away after 12 years with \$159,757. But if your money stays in the annuity just one more year, you could walk away with AT LEAST \$172,537, GUARANTEED!

As you can see, the 5% Bonus PowerDex Elite Annuity is a powerful retirement tool even when the market is in a multi-year decline. Imagine the unparalleled growth its point-to-point annual indexing and high water design can deliver during periods of sustained market growth!

This hypothetical illustration assumes the 5% Bonus PowerDex Elite Annuity has been available since 1991. Past performance does not guarantee future results. Future values may be higher or lower than those shown.

# Choose from a variety of options to help prepare for your retirement years.

## *What if I die while my policy is still in force?*

The 5% Bonus PowerDex Elite Annuity provides a death benefit payable to your named beneficiary. The death benefit will be equal to the accumulation value if taken over a minimum of five years. If taken either as a lump sum or over a period of less than five years, the death benefit will equal the greater of the cash value, or the sum of premiums paid less any withdrawals. The death benefits paid to a properly designated beneficiary (except for the estate) will pass without the costs and delays of probate.

## *I don't want my annuity proceeds to be a tax burden for my beneficiary. What can I do?*

The Death Benefit Rider<sup>1</sup> enables the beneficiary to receive a tax-free death benefit up to 28% of taxable gain. It allows you to pass on more of your annuity's full value to your beneficiaries and reduces a possible tax obstacle for them. Although the rate at which your beneficiaries will pay income tax at some future date is unknown, the Death Benefit Rider will offset a substantial portion – or all – of the income taxes due at the time of your death. Please note: A Death Benefit Rider charge will apply.

## Receive guaranteed income you can't outlive

This is one feature you can only get from an annuity. Once you've owned your 5% Bonus PowerDex Elite Annuity policy for five years, you can choose an income stream lasting 10 years or the annuitant's lifetime. You'll get every dime of your money, including gains from all index credits. Payout periods less than 10 years will reduce the values payable.

## Earn guaranteed tax-favored interest

Your policy values grow tax-deferred, and no income taxes are payable until you withdraw from your policy. If you are under the age of 59½ when a withdrawal is made, an additional 10% penalty tax may be imposed.



<sup>1</sup>Not available in all states

# Is the 5% Bonus PowerDex Elite Annuity the right choice for your retirement plans?

The 5% Bonus PowerDex Elite™ Annuity offers a combination of benefits you may not find in another financial product. It merits your careful consideration if:

- You would appreciate receiving an up-front bonus to help regain market losses or recoup surrender charges (or if you just plain enjoy getting a bonus!).
- You want to avoid losing any of your initial principal if the market declines.
- You wish to share in potential gains in the S&P 500 Index.
- You want your money to benefit from tax-deferred growth.
- You anticipate leaving your money in the annuity for several years (to avoid any surrender charges).
- You want flexible income options.
- You want a death benefit for your heirs.

**The 5% Bonus PowerDex Elite Annuity is a powerful financial tool from Allianz Life.® It can deliver strong performance no matter which way the market index is heading.**

**Make it part of your retirement portfolio.**



# Our top priority is the safety of your money

All policies are issued by Allianz Life Insurance Company of North America, a member of the Allianz Group. With over 700 subsidiaries in more than 70 countries, the Allianz Group is one of the world's leading providers of integrated financial services.

Our goal is to provide policyholders with wealth management products that can help meet today's needs and financial objectives, with a product philosophy of offering fair and equitable values on each policy we issue. Foremost in our minds is the safety of the money you entrust to our care.

Allianz Life® has consistently been assigned financial strength ratings by Standard & Poor's and A.M. Best that are among the highest available. It is one of a select group of major insurance companies to receive such high ratings.

These independent agency ratings are based on an analysis of financial results and evaluation of management objectives and strategies. The ratings do not indicate approval by the analysts and are subject to change.

Innovative products, exceptional customer service, and sound financial strength make Allianz Life the place to turn to help meet your retirement objectives.

Policies are issued by Allianz Life Insurance Company of North America (form number P50487, and state variations if applicable).

Agent name: \_\_\_\_\_

License number: \_\_\_\_\_

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