



MasterDex 10[®] Annuity

Picture what's possible

A fixed index annuity with monthly sum crediting

Allianz Life Insurance Company of North America





Discover the MasterDex 10[®] Annuity
from Allianz

A fixed index annuity from Allianz can be a valuable asset.

A prudent plan shouldn't rely solely on future Social Security to pay for an individual's retirement years. One way to accumulate additional assets for retirement income is an annuity.

The money in an annuity has the potential to create an additional source of retirement income that can supplement Social Security. Assets placed in an annuity can even provide a variety of income streams. This is one reason many individuals use annuities to help them achieve their long-term financial goals, including retirement income.

Here's how a deferred annuity works.

A deferred annuity is a contract between a contract owner and a life insurance company. As contract owner, you pay premium to the insurance company. In exchange for your premium, the insurance company promises to make regular income payments to you over a period of time, beginning at some point in the future. This is called annuitization. You may also receive the benefits listed on the following page.

You should not buy an annuity for short-term purposes. You generally have to keep your premium in a deferred annuity such as the MasterDex 10 for a specified period of time before you begin receiving income payments to avoid the assessment of contract penalties such as surrender charges.



Annuities offer important benefits.

Potential interest credited during the annuity's accumulation phase: During this initial phase, an annuity may be an appropriate vehicle to help you accumulate money for your retirement.

Income for life and other options during the retirement income phase: When you are ready to start taking income, the annuity offers you a range of payout options. Some options may offer an immediate, single payment. Others may include income payments scheduled over a specific period of time, including your entire lifetime.

Tax deferral that can help your money grow: The money in your annuity can grow tax-deferred. This means you don't have to pay taxes until you begin to withdraw money from the annuity. The power of tax deferral, compounded over the life of your annuity's accumulation phase, may have a positive impact on the value your annuity generates for your retirement. Any distribution may be subject to ordinary income taxes and, if taken prior to age 59½, a 10% federal tax penalty.

Death benefit protection for your beneficiaries: As we noted earlier, annuities are insurance products. So it's only natural that they can give you reassurance, knowing your beneficiaries are protected if you pass away before you start receiving income through annuitization.

Fixed index annuities are different.

A fixed index annuity earns interest based on changes in an external index. This is different from traditional annuities, which credit interest calculated at a fixed rate set in the contract. The selected index varies from day to day and is not predictable. When you buy a fixed index annuity you own an insurance contract – you are not buying shares of any stock or index.

Many fixed index annuities also permit contract owners to allocate premium to a traditional fixed interest option, where interest is credited at a fixed rate of interest not based on any external index.

The value of a fixed index annuity will not drop below a guaranteed minimum specified in the contract. This means that if you surrender your contract or die, you (or your beneficiaries) are guaranteed to receive at least a minimum value.

To summarize, a fixed index annuity offers contract owners:

- The potential for interest linked to the performance of a nationally recognized index or indexes (Interest earned on a fixed index annuity could be more or less than the interest earned in a traditional fixed annuity.)
- A guaranteed minimum value

Discover the MasterDex 10 Annuity from Allianz.

MasterDex 10 is a flexible premium deferred fixed index annuity designed to provide a stream of annuity payments for your retirement income. It can offer you guarantees while it helps you reach your financial goals. With MasterDex 10:

- Each year, you may receive indexed interest based on changes in a market index, subject to a cap.
- Any indexed interest is locked in once a year, and can never be lost due to market index fluctuations.
- After five years you can begin taking annuity payments of your full annuitization value.
- You earn a 10% bonus on premium received in the first five years.

Bonus annuities may include annuitization requirements, lower caps, or other restrictions that are not included in similar annuities that don't offer a premium bonus feature.

Your annuitization value includes your initial premium and any subsequent premiums, any bonuses on your premiums, and any indexed interest or fixed interest your contract has earned. To receive the annuitization value, you must meet the following annuitization requirements: the contract must be held in deferral for a minimum of five years and annuity payments must be taken over a minimum of 10 years. If these requirements are not met, you will receive only your contract's cash surrender value. The cash surrender value does not include any of the bonus, or any of the indexed interest, or fixed interest, your contract may have earned. This means you will lose all those amounts if you do not meet the annuitization requirements just described. The cash surrender value you would receive includes only 87.5% of your premium, credited with interest at an annual rate of 1.5%. Any amounts withdrawn may be subject to ordinary income taxes and, if taken prior to age 59½, a 10% federal tax penalty. These taxes and penalties may additionally reduce the amount you receive.



Guarantees

MasterDex 10 locks in any annual indexed interest automatically.

If indexed interest is credited to your annuity, it can never be lost due to market index decreases.

MasterDex 10 protects your principal and 10% bonus.

Your principal and bonus are never subject to market index decreases. A downturn in the market index(es) cannot have a negative impact on your contract values. We guarantee it.

Accumulation

MasterDex 10 lets you benefit when the market index is heading up.

When the market index is headed up, the value of your MasterDex 10 can also increase. That's because at the end of each year, your contract earns indexed interest based on changes in the index, subject to a cap.

MasterDex 10 has a real difference. This sums it up.

The MasterDex 10 tracks point-to-point monthly changes (subject to a monthly cap) in the market index(es). Once a year,

those 12 capped changes are added together to calculate your indexed interest rate for that year. If the sum is negative, the indexed interest rate for that year will be zero.

Control

If you need cash, MasterDex 10 gives you access.

Beginning 12 months after your last premium is received, you may annually withdraw up to 10% of your total premiums paid until 50% of your total premium has been withdrawn.

You can choose an income stream that delivers your annuity's full value.

After five contract years, you can receive the full value of your MasterDex 10 Annuity by choosing an income stream over the lifetime of the annuitant or lasting 10 years or longer. This is called annuitization.

Guarantees
Accumulation potential
Control

Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

Standard & Poor's 500 Index (S&P 500) is comprised of 500 stocks representing major U.S. industrial sectors. "Standard & Poor's[®]," "S&P[®]," "S&P 500[®]," "Standard & Poor's 500," and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Allianz Life Insurance Company of North America. The product is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the product.

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MasterDex 10 tracks market index changes, then puts it all together. Here's how.

With MasterDex 10, the potential growth of your annuity comes from interest based on the monthly sum fluctuations of two of America's most recognized stock indexes: the S&P 500 and the Nasdaq-100.®

MasterDex 10 Annuity basics

The MasterDex 10 Annuity is a monthly sum fixed index annuity that offers a 10% premium bonus, retirement income and a choice of fixed interest and/or indexed interest based on changes in the S&P 500 and Nasdaq-100 indexes.

You can get all the benefits offered by the MasterDex 10 with an initial premium amount of \$2,000 qualified / \$5,000 nonqualified or more. You can add money at any time during the first five contract years and receive a bonus on it. Additional premium payments made during a contract year, and any bonus, are credited to your contract's interim interest account until the following contract anniversary, at which time you can decide how they should be allocated.

Monthly sum crediting

We capture the current value of the market index on the last business day before your contract is issued, as well as on the last business day before each contract "monthiversary." So if your contract is dated the seventh of the month, your monthiversary will be the seventh day of every succeeding month throughout the life of the contract.

Monthly changes are calculated by subtracting the previous month's index value from the current month's index value and then dividing the difference by the previous month's index value.

Next, we apply your contract's monthly cap, or maximum. This may limit the amount of indexed interest you receive. In any given contract month, a positive monthly change may exceed your annuity's stated monthly cap. In that case, the capped monthly change will be used in the indexed interest calculation. We can raise or lower the monthly cap annually but it will never be less than 1%.

Although there is a monthly cap on positive monthly changes, there is no established limit on negative monthly changes. Because of this, a large decrease in one month could negate several monthly increases. As a result, even if the market index experienced an overall gain for the year, your contract's indexed interest rate may be lower (or zero) if the market index experienced large monthly decreases.

At the end of each contract year, the 12 capped monthly changes are added together to calculate your indexed interest rate for that year. If the result is positive, we will credit indexed interest to your annuitization value at this rate. If this sum is negative, the indexed interest rate for that year will be zero.

Here's a hypothetical illustration showing indexed interest based on 12 months of hypothetical index changes and a 2.60% monthly cap. We establish this monthly cap on every anniversary, and guarantee it for that contract year. We can raise or lower the monthly cap but it can never be less than 1.25%. Figures limited by the monthly cap are shown in **bold** type. Although you can allocate premium to either index (or both), for simplicity's sake our example assumes all of the annuity's premium has been allocated to a single index.

To find the indexed interest for the year, simply add up the 12 capped monthly changes.

Assumed monthly cap: 2.60%

Month	Hypothetical monthly index change	Capped monthly change
1	5.27	+2.60
2	-2.00	-2.00
3	2.00	+2.00
4	-1.50	-1.50
5	4.61	+2.60
6	2.50	+2.50
7	3.87	+2.60
8	0.25	+0.25
9	-3.00	-3.00
10	-4.00	-4.00
11	4.43	+2.60
12	2.25	+2.25

(The sum of capped monthly changes equals the year's indexed interest rate.)

+6.90%

No representation is made of future performance. We used a hypothetical 2.60% monthly cap. Using the minimum 1.25% monthly cap the indexed interest for the year would be 0%.

You can earn fixed interest.

Traditional fixed interest is calculated and credited daily for both the fixed interest allocation and the interim interest account. Interest rates are declared annually by Allianz. We can raise or lower interest rates annually, but they will never be less than 2%.

There are no upfront asset fees.

100% of your premium and bonus are credited to your annuitization value on the day it is received. If you hold your contract for at least five years, and then take annuity payments over at least 10 years, you will receive your annuitization value. However, if the contract terms, including these annuitization requirements, are not met, you may receive only your cash surrender value. The cash surrender value includes only 87.5% of your premium, credited with interest at an annual rate of 1.5%. It does not include any of the bonus, or any of the indexed interest or fixed interest your contract may have earned.

You have options.

When you purchase your MasterDex 10, you can base your opportunity for growth with interest linked to changes in the S&P 500 or the Nasdaq-100. You can also allocate a portion of your premium to a fixed interest option.

If you wish, however, you can allocate (in 25% increments) among all three options. Now THAT'S control!

Change your mind? No problem!

Shortly after your contract anniversary each year, we'll notify you that you can change your allocations. Changes to your allocations must be submitted in writing. If we receive your changes within 21 days of your contract anniversary, they will be effective during that contract year. Allocation changes received more than 21 days after your contract anniversary won't take effect until your next contract anniversary.

MasterDex 10 gives you:

- Potential indexed interest
- Guarantees to your principal

The large chart to the right turns back the clock to show how the MasterDex 10 Annuity might have performed from 1998 through 2007 if the contract had been available.

The values shown are based on the following assumptions:

- Contract issued on 1/1/1998
- \$100,000 initial premium and a 10% premium bonus
- 100% participation rate guaranteed for the life of the contract
- Hypothetical 2.60% monthly cap for each year
- Product available since 1998
- 100% allocation to the S&P 500
- No withdrawals, loans, or distributions
- Guaranteed annuitization value represents a market index scenario where there was zero indexed interest during the entire time period shown.

Ask your financial professional for the current monthly caps. 2.60% is hypothetical only. After contract issue, caps can change each contract anniversary.

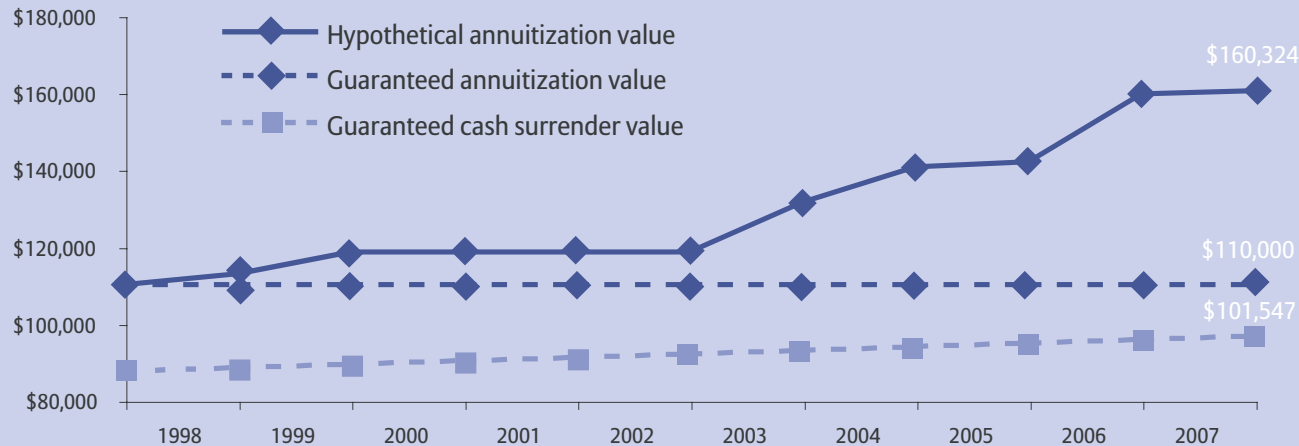
Although an external index may affect your contract values, the contract does not directly participate in any stock or investments. You are not buying any bonds, shares of stock, or shares of an index fund. It is not possible to invest directly in an index. The market index value does not include the dividends paid on the stocks underlying a stock index. These dividends are also not reflected in the interest credited to your contract.

Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

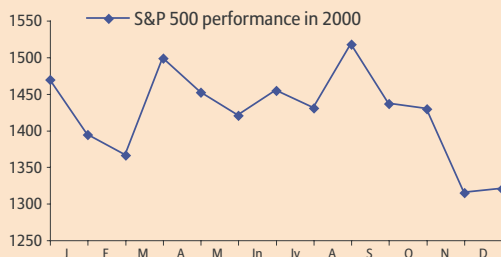
In these two magnified scenarios (Principal protection and Accumulation), we take a closer look at the MasterDex 10 Annuity during two very different years. Note the way month-by-month changes in the market index have an impact on indexed interest.

Hypothetical example based on actual S&P 500 performance from: 1998-2007

Values in this chart are based on S&P 500 performance from 1/1/1998 to 12/31/2007. All values are year-end values. Past performance is no guarantee of future results. No representation is made of future performance. You are not buying shares of any stock or index fund.



Principal protection



In a negative year, MasterDex 10 protects previously credited indexed interest.

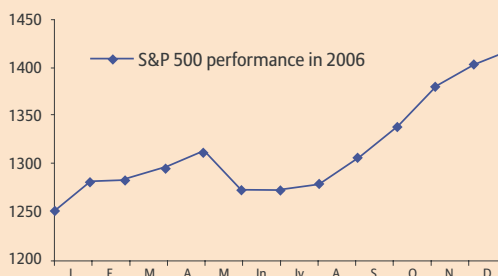
In 2000, if the monthly cap had been 1.25% (the minimum monthly cap), the indexed interest rate would have been 0%.

Date	Index value	Capped ¹ monthly changes
1/1/2000	1469.25	
2/1/2000	1394.46	-5.09%
3/1/2000	1366.42	-2.01%
4/1/2000	1498.58	2.60%
5/1/2000	1452.43	-3.08%
6/1/2000	1420.60	-2.19%
7/1/2000	1454.60	2.39%
8/1/2000	1430.83	-1.63%
9/1/2000	1517.68	2.60%
10/1/2000	1436.51	-5.35%
11/1/2000	1429.40	-0.49%
12/1/2000	1314.95	-8.01%
1/1/2001	1320.28	0.41%

Sum of capped monthly changes: -19.86%
Indexed interest rate: **0.00%**

¹Capped changes are in bold face

Accumulation



In an average year, MasterDex 10 can provide indexed interest.

In 2006, if the monthly cap had been 1.25% (the minimum monthly cap), the indexed interest rate would have been 7.29%.

Date	Index value	Capped ¹ monthly changes
1/1/2006	1248.29	
2/1/2006	1280.08	2.55%
3/1/2006	1280.66	0.05%
4/1/2006	1294.83	1.11%
5/1/2006	1310.61	1.22%
6/1/2006	1270.09	-3.09%
7/1/2006	1270.20	0.01%
8/1/2006	1276.66	0.51%
9/1/2006	1303.82	2.13%
10/1/2006	1335.85	2.46%
11/1/2006	1377.94	2.60%
12/1/2006	1400.63	1.65%
1/1/2007	1418.30	1.26%

Sum of capped monthly changes: 12.43%
Indexed interest rate: **12.43%**

¹Capped changes are in bold face

Choose from a variety of options to receive steady, predictable income.

Several annuity payment options are available to you.

If you keep your contract for at least five years, you can choose to receive annuity payments, which are the payments we make back to you over a period of time, based on your annuitization value in any of the following ways:

- Interest only – You have the option to receive interest-only annuity payments for 10 years. Interest will be paid as earned based on the amount of your annuitization value. After 10 years of interest-only payments, you can take your full remaining annuitization value as a lump-sum payment.
- Installments for a guaranteed period – You can choose to receive annuity payments in equal installments for a period from 10 to 30 years. Each installment would consist of part principal and part interest.
- Installments for life – You have the option to receive annuity payments in equal installments for the rest of your life. Payments end upon your death.
- Installments for life with a guaranteed period – You can choose to receive annuity payments in equal installments for the rest of your life. Upon your death, annuity payments will be paid to your beneficiary for the balance of the guaranteed period, the same way as you previously selected.
- Installments for a selected amount – You may receive annuity payments in equal installments of an amount that you choose, as long as the payments last for at least 10 years. Payments continue until your annuitization value is gone.
- Joint and survivor – You can have equal installments paid until your death, then continue to be paid to your survivor. In this case, you can select 100%, $\frac{2}{3}$, or $\frac{1}{2}$ of your payment amount to be paid to your survivor until his/her death.

The payout rate used to determine the income stream depends on the age of your contract, the age of the annuitant, and the payout option selected. The interest rate in payout is guaranteed to be at least 1%.

Our Flexible Annuity Option Rider lets you access your contract values sooner.

The Flexible Annuity Option Rider allows you as the owner to receive your annuitization value (less any bonus and interest earned on that bonus) sooner. You may exercise this option anytime after the first contract year but before the sixth contract year by electing to receive annuity payments over a period of 10 to 30 years. Depending on your age, you may be able to receive this value over fewer than 10 years. There is no additional charge for this rider.

Access your money sooner to help pay for nursing home care.

If you, as the contract owner, 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 contract year, you may take an accelerated distribution of your contract's annuitization value over a period as short as five years.





MasterDex 10 offers you a death benefit.

The MasterDex 10 Annuity provides a death benefit payable to your named beneficiary. Regardless of whether your beneficiary(ies) select to receive the death benefit as a lump-sum payment, or as annuity income payments, they will receive the greater of the contract's annuitization value or guaranteed minimum value. The death benefit paid to a properly designated beneficiary (other than the estate) will pass without the costs and delays of probate. This applies only to contracts that have not yet been annuitized.

Help your beneficiaries pay their taxes.

The optional Death Benefit Rider enables your beneficiary to receive, tax-free, an additional death benefit up to 28% of the taxable gain in your annuity. By providing funds to pay some or all of the income taxes due, it allows you to pass on more of your annuity's 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 can offset a substantial portion – or all – of the federal income taxes due at the time of your death (state or local taxes may apply). Please note: A Death Benefit Rider charge will apply; benefit only applies to nonqualified contracts where the owner and annuitant are the same.

MasterDex 10 gives you the freedom to access your money in several ways.

Take free withdrawals.

You can take one free withdrawal of up to 10% of premiums every 12 months – without a surrender charge – as long as:

- It occurs 12 months after the last premium is received
- No more than one withdrawal is taken within a 12-month period
- Total free withdrawals do not exceed 50% of premiums received

If, within 12 months of a free withdrawal, the contract is surrendered or annuitized, another withdrawal is taken, or additional premium is added, the free withdrawal will be treated retroactively as a partial surrender with penalty. Withdrawals will decrease the annuitization value and the cash surrender value of the contract and its death benefit.

A free withdrawal is eligible to receive partial interest at the end of the contract year. Partial interest is based on the annual interest and the amount of time during that year before the free withdrawal was taken.

Schedule Systematic Withdrawal of Credits.

After you have held your contract in deferral for five contract years, you can select to receive Systematic Withdrawal of Credits payments. This benefit allows you to receive payments of indexed interest while you continue to keep your contract in deferral. Payments will be based on the interest applied to your contract after we receive your request. You may select to receive Systematic Withdrawal of Credits payments without incurring any charges or contract penalties, although your payments will lower your contract's annuitization value and the value of its death benefits.

Take a contract loan.

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

Access your money to help pay qualified medical costs.

The Flexible Withdrawal Rider is an optional rider that gives you additional access to your money. This rider allows you a one-time lump-sum payment, without any contract penalty, in any amount up to the contract's annuitization value, should you, anytime after the first contract year, become confined to an eligible nursing facility, assisted living facility, or hospital for 30 of 35 consecutive days. This rider must be chosen at the time of application. There is an additional charge for this rider.



Take required minimum distributions.

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

Receive potential indexed interest while you take income payments.

The Systematic Withdrawal Benefit allows you to receive a percentage of your annuity as income while your remaining annuitization value continues to receive potential indexed interest or fixed interest.

After your fifth contract anniversary, you can choose to receive withdrawals from your contract's annuitization value.

You have the flexibility to stop receiving Systematic Withdrawal Benefit payments. Once suspended, your payments can be started again after two years have passed. If you restart your Systematic Withdrawal Benefit payments, the percentage of contract values available will be based on the contract year in effect when your payments are restarted.

DEFERRAL PERIOD	PERCENTAGE OF ANNUITIZATION VALUE AVAILABLE
6-8	Up to 5% per year
9-10	Up to 6.67% per year
11+	Up to 10% per year

While you are receiving Systematic Withdrawal Benefit payments, any fixed interest or indexed interest will also be paid to you.

Take a single lump sum or annuity payments over fewer than 10 years.

You may take a single lump sum or elect to receive annuity payments over a period of fewer than 10 years at any time, but the amount you receive will be your contract's cash surrender value, which means you lose all of the bonus and indexed interest or fixed interest your contract may have earned, and a portion of your premium. You could receive less than the amount of premium you put into the contract. The cash surrender value of your contract equals 87.5% of your total premium, minus any withdrawals, accumulated at an annual rate of 1.5%.

The cash surrender value will never be less than the guaranteed minimum value. The guaranteed minimum value equals 87.5% of your total premium, minus any withdrawals, growing at an annual interest rate no less than 1%.

Note: the money you take out may be taxable.

Your contract values grow tax-deferred. However, any distributions from your contract, including free withdrawals, partial withdrawals, loans, and required minimum distributions, may be taxable as ordinary income. Because annuities are meant to be used for long-term purposes, if you are under age 59½ when a distribution is taken, it may be subject to an additional 10% federal tax penalty.

Is the MasterDex 10 Annuity the right choice for your retirement plans?

The MasterDex 10 Annuity offers a combination of insurance guarantees and benefits. It merits your careful consideration if you want:

- Long-term tax-deferral of retirement assets
- Flexible income options
- A death benefit for your beneficiaries
- Potential indexed interest based on changes in the S&P 500 or Nasdaq-100
- Protection of your principal, bonus, and locked-in interest

The MasterDex 10 Annuity can be a powerful financial tool for principal protection along with potential interest.

Make it part of your retirement portfolio.

The strength of Allianz

For long-term financial solutions, look to Allianz Life Insurance Company of North America (Allianz). As a leading provider of annuities, life insurance, and long term care insurance, we have over 1.2 million customers and have been rated A (Excellent) by A.M. Best.¹

We are part of Allianz SE, one of the world's largest integrated financial services organizations. Founded in 1890 in Germany, Allianz SE has more than 80 million customers in about 70 countries, and is the world's:

- 14th largest company²
- 2nd largest company in the insurance industry²
- 5th largest money manager³

Allianz. Financial solutions from A to Z.

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America, the issuing company.

¹The A.M. Best rating of A (Excellent) is the 3rd highest out of 15 possible ratings, and is effective as of October 4, 2007. 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.

²"Forbes Global 2000," *Forbes*, April 21, 2008. Forbes' ranking is based on a composite of sales, profits, assets, and market value.

³"The P&I/Watson Wyatt 500: World's Largest Managers," *Pensions & Investments*, October 1, 2007 (www.pionline.com).

Other information is accurate as of 5/5/2008.

Agent name _____

License number _____

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Close your eyes and picture retirement income checks that can last your entire lifetime. Now open your eyes, and look at our MasterDex 10[®] Annuity.

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(Form P50640-CA)
(R-7/2008)