

Core
Income 7[®]
Annuity
and Core
Income
Benefit rider

(R-9/2016)

Allianz Life Insurance Company of North America

How will you cover your **core income needs?**

One possible income solution

Annuities can help you reach your long-term financial goals by providing protection from market loss, tax deferral, and a death benefit for beneficiaries. But some annuities – like **Core Income 7 fixed index annuity with the Core Income Benefit rider** (at an additional cost)¹ – offer features to help meet retirement income needs.

Guaranteed lifetime income with options

84%
of consumers want to
“make sure they have
**ADEQUATE AND
GUARANTEED
INCOME FOR LIFE.**”²

Core Income 7 and Core Income Benefit rider provide a unique benefit that rewards you for waiting before you begin lifetime income withdrawals. Beginning at age 45, lifetime withdrawal percentages are guaranteed to increase every year until income withdrawals begin.

When you are at least age 50 (but not older than age 100) and ready to begin taking lifetime withdrawals, you have the flexibility to choose from two different payment options that best fit your income needs:

- **Option 1** provides predictable, dependable income for life.
- **Option 2** also provides income for life with an opportunity for payment increases. This option offers a smaller payment up front, but has the potential to increase each year that your chosen allocations earn interest.

Age at issue	Option 1		Option 2		Annual increase percentage
	Single	Joint	Single	Joint	
0-54	3.60%	3.10%	2.60%	2.10%	0.25%
55-59	4.10%	3.60%	3.10%	2.60%	0.30%
60-64	4.60%	4.10%	3.60%	3.10%	0.35%
65-69	5.10%	4.60%	4.10%	3.60%	0.40%
70-74	5.60%	5.10%	4.60%	4.10%	0.45%
75-79	6.10%	5.60%	5.10%	4.60%	0.50%
80	6.60%	6.10%	5.60%	5.10%	0.55%

The chart shows the lifetime withdrawal base percentages and the annual increases, based on the payment option and on the age at which the contract was purchased.

For all that's ahead.[®]

Allianz 

¹ The annual charge for the Core Income Benefit rider is 1.05% of the contract's accumulation value, deducted monthly from the accumulation value and guaranteed minimum value (in most states).

² The Allianz *Reclaiming the Future* Study, 2010.

Must be accompanied by the Core Income 7 Annuity consumer brochure (CB95374 or appropriate variations).

Product and feature availability may vary by state and broker/dealer.

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Income now or income later: A hypothetical Core Income 7[®] Annuity case study

Sarah, a hypothetical 60-year-old, is planning to retire soon. Working with her financial professional, she has created a strategy that's appropriate for her financial objectives:

- Protecting a portion of her retirement assets from market losses,
- Supplementing her guaranteed sources of income (i.e., annual Social Security) to help cover her core income needs throughout retirement, and
- Increasing her retirement income.

Core Income 7 can help Sarah meet all of these goals.

As part of her strategy, Sarah purchases a Core Income 7 Annuity and Core Income Benefit rider for \$100,000. Because she is looking for the reassurance of predictable and dependable income for life, Sarah prefers single payment option 1.

Though she is not sure when she wants to start receiving income, she likes that the withdrawal percentages increase by **0.35%** every year that she waits.

Sarah's financial professional reminds her that with this approach there is a surrender charge and market value adjustment (MVA) if the contract is surrendered in the first seven years. Surrender charges and MVA may result in the loss of all or part of any interest earned, and a partial loss of principal.

Below are the guaranteed withdrawal percentages available to Sarah based on when she starts taking lifetime withdrawals (at either age 60, 65, or 70). It also shows the minimum annual income Sarah would receive from her annuity, based on her \$100,000 premium and her withdrawal percentages. (Please note: If payment option 2 were chosen, the withdrawal percentages would be 1.00% lower.) This assumes no interest is earned over the time period shown.

INCOME NOW (age 60)	5-YEAR WAIT (age 65)	10-YEAR WAIT (age 70)
4.60% withdrawal percentage	6.35% withdrawal percentage (0.35% x 5 years + 4.60% = 6.35%)	8.10% withdrawal percentage (0.35% x 10 years + 4.60% = 8.10%)
↓	↓	↓
\$4,600 minimum annual income (\$100,000 x 4.60% = \$4,600)	\$6,350 minimum annual income (\$100,000 x 6.35% = \$6,350)	\$8,100 minimum annual income (\$100,000 x 8.10% = \$8,100)

This case study is for illustrative purposes only and may not be appropriate for all consumers. This hypothetical chart is provided to show how this benefit affects income withdrawal payments. It does not predict or project the actual results of a specific client. Be sure to consider all features and costs of an annuity prior to determining if it meets your financial needs.

Ask your financial professional whether Core Income 7 may be a good fit for your overall retirement strategy.

Early withdrawals may result in loss of principal and credited interest due to surrender charges and MVA.

Distributions are subject to ordinary income tax and, if taken prior to age 59½, a 10% federal additional tax.

All annuity contract and rider guarantees, or annuity payout rates, are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of Allianz Life Insurance Company of North America.

• Not FDIC insured • May lose value • No bank or credit union guarantee • Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

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Product and feature availability may vary by state and broker/dealer.

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