

Protection with potential

Allianz Life Insurance Company of North America



Blended index allocation with an annual point-to-point crediting method

Clients purchase life insurance for the death benefit protection. If your clients want the reassurance of having life insurance coverage with the potential for cash value accumulation, plus the option to access their premium down the road via policy loans, GenDex Momentum may be one good choice.¹

GenDex Momentum is a fixed index universal life (FIUL) insurance policy that offers your clients the annual choice of eight index allocations along with the choice of a fixed interest rate. This piece will discuss one of these options – the blended index allocation with the annual point-to-point crediting method.

The two charts on the next page illustrate GenDex Momentum using the blended index allocation and the annual point-to-point crediting method over the 24 years this index has existed.

The first chart shows what the annual point-to-point crediting method would have been each year with a 17.00% annual cap, 0% floor, and 100% participation rate, alongside the actual historical blended index performance during the same period.

The second chart tracks a hypothetical \$1,000 allocated to the blended index during the same time period and with the same assumptions. The gray line tracks the \$1,000 based on the actual historical blended index performance with no floor or cap. The blue line assumes the blended index, with a 17.00% annual cap and 0% floor. The black line represents the blended index with the 3% minimum guaranteed cap and 0% floor. A 100% participation rate is assumed for all three gray lines.

¹ Policy loans will reduce available cash values and death benefits and may cause the policy to lapse, or affect guarantees against lapse. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. Tax laws are subject to change and your clients should consult their tax professional.

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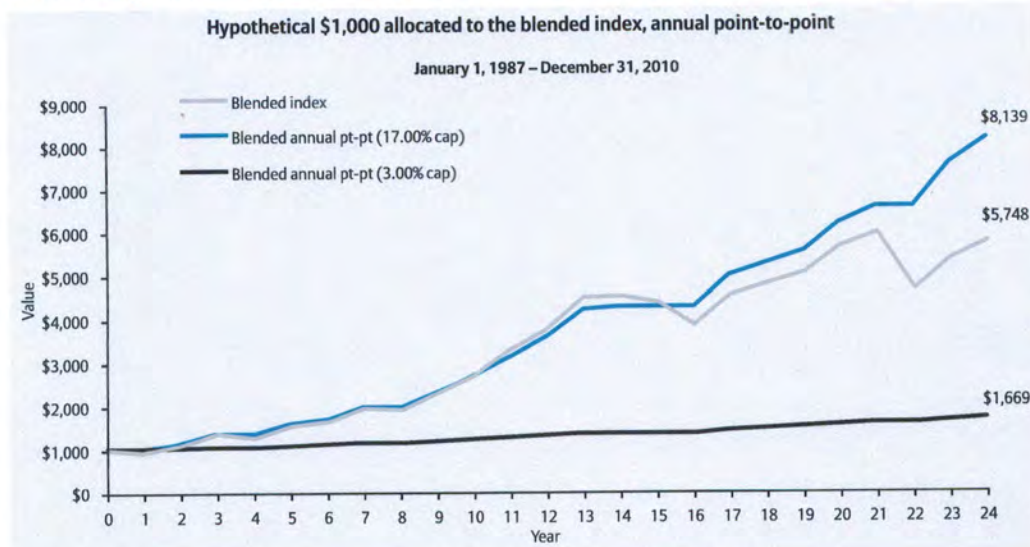
Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

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Calendar year 1/01 – 12/31	Actual historical blended index, no cap, no floor, 100% participation rate	Blended index, annual point-to- point, 17.00% annual cap, 0% floor, 100% participation rate	Blended index, annual point-to- point, 3% minimum guaranteed annual cap, 0% floor, 100% participation rate	Calendar year 1/01 – 12/31	Actual historical blended index, no cap, no floor, 100% participation rate	Blended index, annual point-to- point, 17.00% annual cap, 0% floor, 100% participation rate	Blended index, annual point-to- point, 3% minimum guaranteed annual cap, 0% floor, 100% participation rate
1987	-4.93%	0.00%	0.00%	1999	19.85%	17.00%	3.00%
1988	15.73%	15.73%	3.00%	2000	0.95%	0.95%	0.95%
1989	21.45%	17.00%	3.00%	2001	-3.47%	0.00%	0.00%
1990	-4.89%	0.00%	0.00%	2002	-11.90%	0.00%	0.00%
1991	20.37%	17.00%	3.00%	2003	17.97%	17.00%	3.00%
1992	6.36%	6.36%	3.00%	2004	5.70%	5.70%	3.00%
1993	17.65%	17.00%	3.00%	2005	5.23%	5.23%	3.00%
1994	-2.16%	0.00%	0.00%	2006	11.94%	11.94%	3.00%
1995	23.62%	17.00%	3.00%	2007	5.77%	5.77%	3.00%
1996	16.41%	16.41%	3.00%	2008	-22.36%	0.00%	0.00%
1997	20.72%	17.00%	3.00%	2009	15.42%	15.42%	3.00%
1998	14.73%	14.73%	3.00%	2010	7.51%	7.51%	3.00%

- The 0% floor would have come into play six times in the 24 years this index has existed, so your client's cash value would have been protected.
- The average annualized rate over the last 10 years illustrated would have been 6.70%.
- The average annualized rate over the entire 24 years illustrated would have been 9.13%.



Based on the historical performance of the blended index, a hypothetical \$1,000 over the 24 years sampled would have increased to \$5,748.

Using annual point-to-point crediting with a 17.00% cap and 0% floor, the result would have been \$8,139, and would have earned the policy 9.13%.

Using annual point-to-point crediting with a 3.00% minimum guaranteed cap and 0% floor, the result would have been \$1,669.

This example is provided for illustrative purposes only. For a full explanation of the crediting methods, please refer to form M-3959. Past performance is not an indication of future results.

Based on actual blended index returns. Assumes GenDex Momentum was available on January 1, 1987.

Actual interest credited will vary based on the crediting method and allocation options chosen, and current caps and participation rates. In addition, GenDex Momentum® policy values will be assessed policy fees and expenses which will reduce the net result of any interest credited. These charges include: a monthly expense charge, a premium charge, a cost of insurance charge that is based on age, gender, and risk classification, and any riders added, which normally carry an additional fee. For details of these charges, refer to the GenDex Series Agent Guide (M-3991) and your client's individual GenDex Momentum illustration.

Blended index	
Index	Weight
Dow Jones Industrial Average	35%
Barclays Capital U.S. Aggregate Bond Index	35%
EURO STOXX 50	20%
Russell 2000	10%

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