

# Rate renewals and interest credits – a historical perspective

A disciplined approach to setting and maintaining the rates  
on your policy

Allianz Life Insurance Company of North America (Allianz) issues fixed index universal life (FIUL) insurance policies offering a variety of allocation options that may guarantee an interest rate, have an annual floor, or limit indexed interest credits by a cap and/or participation rate. These rates are declared when the policy is issued and guaranteed for the following year. After the first year, these rates may change annually on each policy anniversary. As long-term financial products that provide death benefit protection for beneficiaries and the opportunity to build cash value for future needs, it's important to understand how these rates are set initially, why they can change, and how changes may impact the actual interest that is credited to the policy. (Please note that the declared interest rates, annual floors, caps, and participation rates are always guaranteed to be greater than or equal to the minimum guarantee as stated in the contract.)

## Declaring rates for the first year

Allianz has consistently employed a disciplined approach to determining the rates we can offer on newly purchased products. This approach is grounded in a single principle: **We're true to the people we serve, each and every day.** We focus on the long-term promises we make and know that earning and maintaining your trust is the foundation on which we've built our leadership position in the industry. We do not set rates without keeping the long term in mind, as that could pose a serious risk to the trust we've worked to earn.

We consider how  
**RATE CHANGES  
IMPACT YOU**  
– from product  
design to in-force  
management.

## Renewing rates after the first year

Each year, renewal rates are declared for the available allocation options for each policy. We analyze renewal rates to maintain balance between the cost of guaranteeing policy benefits and offering opportunity to earn interest.<sup>1</sup> Over the life of the policy, many factors can cause this balance to shift in either direction – including (but not limited to) equity performance, bond market performance, and short-term interest rates. If changes in rates need to be made, we always keep in mind our focus of delivering on our long-term promises.

Allianz FIUL policies offer a variety of allocation options. Because of this, you can change and diversify your allocations annually to help accommodate the challenges of a dynamic economic environment. It's important to know that no single crediting method is best suited for every scenario, so be aware of all the rates, allocation options, and combinations of options that are available to you.

For all that's ahead.®

Allianz 

Must be accompanied by the "Understanding fixed index universal life insurance" brochure (M-3959).

<sup>1</sup> Interest, if any, varies among the various allocation options. Choosing several allocation options – "diversifying" – does not ensure that the interest will be credited. No allocation option provides the most interest in all market scenarios.

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

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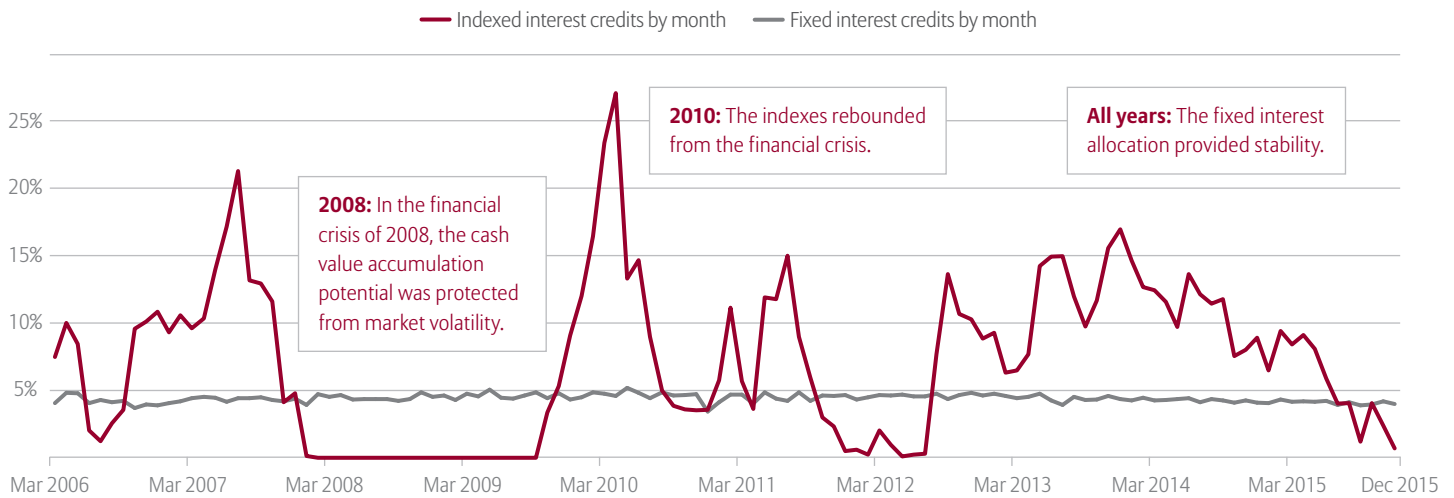
## Interest credits

Rate renewal history is important to know; however, the interest credits that you actually receive are an excellent indicator of value being passed on to you, the policyholder.

Let's take a closer look at both the average fixed and indexed interest credits for Allianz FIUL policies. In the chart below, the gray line represents fixed interest credits and the red line represents indexed interest credits by month.

Index allocations can offer the opportunity to receive more or less than a fixed interest rate. As the chart shows, there are times when indexed interest credits surpass fixed interest credits and vice versa. As you can see by the times when indexed credits exceed the fixed interest credits, we strive to set our renewal rates at a level that continues to offer you value and indexed interest opportunity.

### IN-FORCE CREDITS BY MONTH



|                           | Indexed | Fixed |
|---------------------------|---------|-------|
| Average interest credited | 7.09%   | 4.41% |

**Past interest crediting is not a guarantee of future results. Caps and interest rates have changed over time, so future credits may be different than shown even in similar market environments.**

This chart shows the FIUL insurance policy crediting history of Allianz FIUL policies from 3/1/2006 through 12/31/2015. We chose this time frame to ensure that we present the most complete 12-month data available for this study. 94,813 policy anniversaries from 29,088 unique policies were studied. Credits are based on actual caps, participation rates, and interest rates that have been applied to in-force policies. **Products included in analysis:** GenDex II, GenDex SP, GenDex Survivorship, GenDex Momentum, GenDex Survivor, Allianz Life Pro+. All products have not been available during the entire duration of the example shown.

**NOTE:** The information shown is current as of December 31, 2015 and does not guarantee or establish any expectation regarding future interest credited. Your experience may vary. This is a representation of only one aspect of an FIUL insurance policy, which does not take into account policy fees and charges and does not describe any other features. Please note that many factors, including the current market environment, may affect the interest credited to the policy. All product features should be considered before purchasing a policy.

**For long-term financial products** it's important to know all the allocation options available to you. We are proud of our disciplined approach to rate-setting in addition to our reputation for maintaining balance in our FIUL policies.

**Contact your financial professional to find out how an FIUL policy can be a fit for your financial strategy.**

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Past performance is not a guarantee of future results.

Life insurance policies require health underwriting and financial underwriting.

Additional factors may affect how much indexed interest you receive. For complete product-specific information, ask your financial professional. As an alternative to indexed interest, you can allocate all or part of your cash value to a fixed interest account.

Products are issued by Allianz Life Insurance Company of North America, PO Box 59060, Minneapolis, MN 55459-0060. 800.950.7372 [www.allianzlife.com](http://www.allianzlife.com)

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

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