

Allianz Life Insurance Company of North America

# Core Income 7<sup>®</sup> Annuity

Opportunity and protection

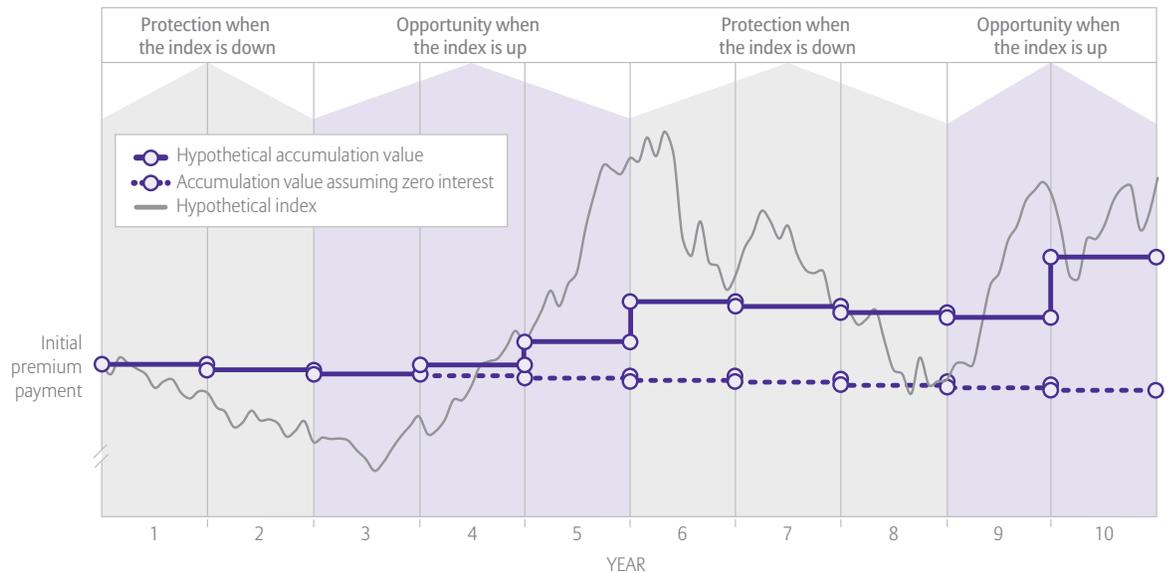
As you near retirement, it's important to give yourself the opportunity to accumulate retirement savings. But it's important to protect those savings, too. Core Income 7 can help you do both.

Like all fixed index annuities, Core Income 7 with its additional-cost benefit rider is an insurance product that is designed to help you meet your retirement-income needs. Core Income 7 does this by crediting interest to your contract based on changes in an external market index. But because Core Income 7 does not actually participate in the market – and because you're not buying shares of any stock – the money you place in your contract (your "principal") is never at risk due to market downturns.

The following hypothetical chart is intended to show you how a fixed index annuity (such as the Core Income 7) works during the initial 10-year period, and how it provides opportunity and protection using annual reset.

The gray line shows a hypothetical index while the dark purple line shows a hypothetical accumulation value. It is not based on any particular index or crediting method. The light purple line would be an accumulation value based on a market index scenario in which the indexed interest rate is zero in all contract years.

**With Core Income 7,** the index's ending value at the end of each contract year becomes next year's starting value. This means that the index does not have to make up previous losses for your accumulation value to earn additional interest. Please note that, while you have the opportunity for increases to your accumulation value when the index is up, you may not always receive an increase due to the crediting method calculation.



The contract values shown are based on the initial premium payment and assume an annual rider charge for the automatically issued rider. Values shown assume no withdrawals or distributions and do not reflect the 7-year surrender charge and the market value adjustment (MVA). The hypothetical accumulation value lines are shown to represent how a fixed index annuity would react to general movements in an index. They are not meant to be proportional or to scale and do not use a specific crediting method or cap.

If you purchase any additional-cost riders, your contract's values will be reduced by the cost of the rider. This may result in a loss of principal and interest in any year in which the contract does not earn interest or earns interest in an amount less than the rider charge.

Keep in mind that this chart represents hypothetical results only and may not be used to predict or project future results. Actual results will vary by crediting method and index allocation chosen, caps, and market conditions. No single crediting method or index allocation consistently delivers the most interest under all market conditions.

**Must be used with Core Income 7 consumer brochure (CB95374-CM) or appropriate versions.**

For all that's ahead.<sup>®</sup>



## Core Income 7 gives you flexibility, too

Core Income 7<sup>®</sup> Annuity is designed to help you meet your long-term retirement-income needs. But, because plans sometimes change, Core Income 7 also gives you flexible ways to access your contract's value.

### Take a lump-sum payout

You can receive your annuity's full accumulation value at any time after seven contract years. If you take out all of your contract's value before the seventh contract anniversary, you will receive the cash surrender value – which is equal to the accumulation value minus the full surrender charge, and then adjusted by the MVA, as shown in the charts below. Partial surrenders incur surrender charges and MVAs.

### About the guaranteed minimum value

Your contract provides a guaranteed minimum value that you'd receive if it were higher than your contract's cash surrender value. The guaranteed minimum value generally equals 87.5% of your total premium, minus the annual rider charge (in most states), minus any withdrawals, and accumulates at a minimum interest rate of 1.00% annually.

### The surrender charge percentage decreases over time

Start of contract year	Surrender charge %
1	8.50%
2	8.00%
3	7.00%
4	6.00%
5	5.00%
6	4.00%
7	3.00%
8+	0%

## A word about taxes

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

### A note about the market value adjustment (MVA):

If you partially or fully surrender your Core Income 7 Annuity, it will be subject to an MVA during the surrender charge period only. An MVA will also apply if you annuitize prior to the sixth contract year or if the annuity payments are taken over a period of less than 10 years.

An MVA is a calculation used to adjust your values according to the interest rate environment at the time the withdrawal is taken. The MVA may increase or decrease your contract's cash surrender value. The MVA can never cause the cash surrender value to be less than the guaranteed minimum value or greater than the accumulation value.

In general, if corporate bond yields at the time of the withdrawal are:	Then the cash surrender value will be:
Less than when you added the premium	Higher
Equal to when you added the premium	Unaffected
Greater than when you added the premium	Lower

### Is Core Income 7 Annuity right for you?

Ask your financial professional whether it may be a good addition to your overall retirement portfolio.

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 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.

This content is general information for educational purposes, and is not intended to constitute fiduciary advice. Please consult your financial professional for a specific recommendation about purchasing this product.

• 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

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

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