



success
with
Equity index life insurance
EIULS

PEOPLE, PRODUCTS, AND PASSION TO HELP YOU SUCCEED

Wealth Management

ANNUITIES • LIFE INSURANCE • LONG TERM CARE INSURANCE



The Allianz Life vision.

At Allianz Life®, we believe that every American will have the opportunity to live out their life with financial independence. Through our network of independent agents, our goal is to be the preferred choice for insurance products offering security, stability, and value.

Our primary objective is to help you achieve maximum success as a producer in today's wealth management world. And, with our proven track record of successful innovation in products and unparalleled service to our distribution, we're the future of the next generation of annuities, life insurance, and long term care insurance.

We are Allianz Life®. The best at next.™

A leader in wealth management solutions.

At Allianz Life, wealth management is a partnership between our company and you, the independent agent and financial planner, who helps your customers – the consumers – build on the three cornerstones of successful financial planning.

Wealth accumulation:

Planning for and building a strong retirement nest egg

Wealth protection:

Keeping assets protected against unforeseen disasters and events

Wealth distribution:

Ensuring that clients don't outlive their wealth

*Look to Allianz Life for a powerful portfolio
of innovative annuities, LTCi, and life insurance products
to meet your clients' wealth management needs.*


Products and features may vary by state or issuing company.
For specific information on Allianz Life products, visit www.accessallianz.com, or call our FASTeam at 800/950-7372.

Equity index universal life insurance is a wealth management solution.

Allianz Life® is committed to offering our independent agents and their clients a portfolio of diverse financial products, designed for the wealth management needs of today’s consumers. For clients with a need for life insurance protection, Allianz Life offers a selection of equity index universal life insurance products that provide the safety, flexibility, and accumulation potential that consumers are seeking today.

Equity index universal life insurance represents the best of both worlds – protection from loss, combined with the opportunity for growth. And, consumers may not even know this possibility exists! **It is the life insurance of the future available today.**

The life insurance marketplace is at a crossroads today. As a category, life insurance remains the only product that provides the foundation for all three of the wealth management needs of today’s consumers.

Life insurance protection through all stages of wealth management		
Wealth accumulation	Wealth protection	Wealth distribution
Competitive cash options	Guarantees preserve accumulated wealth	Accumulation to provide lifetime income
Unique accumulation potential with no downside risk	Unexpected events	Transfer to future generations
		

The most significant change affecting the life insurance market today is the fact that people are living longer.

All the statistics are showing that people are living longer these days, due to dramatic advancements in medical technology and healthier lifestyles. That’s good news for consumers, but it also raises a huge financial concern: how will they protect themselves over those longer lifespans, including their retirement years?

“Seven years ago, Americans’ greatest fear was dying. Today, people are mortally afraid of living to 100, and being poor.”

Source: *Research*, February 2005, pg. 24

Equity index universal life insurance fills the need for accumulation potential over longer lifespans, as well as offering protection at all other life stages along the way.

The right solution at just the right time.

Some people may ask whether they need life insurance at all, in view of longer lives. Historically, life insurance has been used to provide protection for a specific period of time, or to provide cash benefits to family members when a loved one passes away unexpectedly. Those reasons are still valid today, however, there's an important new need in the market, that traditional life insurance cannot effectively meet: the ability to accumulate cash value over longer lifespans. New innovative, non-traditional life insurance solutions are needed.

A variety of life insurance products has evolved over the years to address the changing lifestyles and longer lifespans of consumers. Among these are market index innovations offering accumulation potential, as well as expanded uses of the income-tax-free death benefit option.



Nothing has demonstrated the potential to bridge the gap between the longer lifespans of consumers and their lack of adequate essential life insurance protection better than equity index universal life insurance.

Yet, even in view of these longer lifespans, millions of Americans have no life insurance coverage, and most people who have insurance don't have enough.

Source: LIMRA International, *Fast Facts*, Sept. 2004

The next level of need for life insurance: Accumulation potential for longer lives.

Besides guaranteed lifelong protection, equity index universal life insurance offers clients a powerful combination of benefits:

- Flexibility to adapt to changing needs and events over longer lifespans.
- Accumulation potential from linking to respected market indexes without exposure to downside market index risk.

Why are consumers actually buying life insurance today?

Income replacement	62%
Burial and final expenses	60%
Guarantee mortgage paid	34%
Transfer wealth to family	23%
Funds for college education	20%
Tax-advantaged way to save/invest	7%
Pay estate taxes/create estate liquidity	2%
Make a charitable gift	1%

Source: *Buyers and non-buyers of life insurance*, LIMRA, 2004

Allianz Life – industry leader of equity-indexed products since 2000¹



There's a new world of life insurance today, from the leader in equity-indexed products. Allianz Life® knows equity indexing. After nearly a decade of creating innovative equity-indexed insurance products, we've achieved a 36% market share!¹ The main idea behind equity-indexed products is the ability to link to market indexes, and share in potential gains from market index growth. This, combined with guarantees, allows clients to accumulate cash value over time for life's "what-ifs," or retirement income, and at the same time avoid downside market risk.

Today, Allianz Life has taken its innovative, industry leading expertise and success in the equity index annuity arena and incorporated it into exciting new universal life insurance products. This next generation of life insurance products is specifically designed to provide guaranteed protection over today's longer lifespans.

Every year since 2000, a clear leader has emerged in equity index annuity (EIA) sales. And that leader is Allianz Life. According to the Advantage Compendium, LTD, Allianz Life is the #1 seller of EIAs each year since 2000.²

Equity-indexed products feature crediting methods most commonly associated with widely recognized benchmarks of U.S. equity performance, including the S&P 500 Index, the Nasdaq-100® Index, or a combination, often with an additional option of a fixed interest rate.

¹ Advantage Compendium, Ltd, 4/2004

² Source: LIMRA, 2004, Advantage Compendium, 2004

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What affects the performance of EIUL products?

There are a variety of so-called “moving parts” associated with equity index universal life (EIUL) products that can affect their performance, depending on how the insurance carriers apply these various parts to their products.

It’s very important that agents ask some key questions:

- What moving parts are present in this particular EIUL?
- What current market index conditions could impact the EIUL’s performance?
- Is this product suitable for my client’s current needs?

Here are two EIUL components that can move:

- **Participation rate:** When the market indexes are increasing, the policy value of an EIUL can proportionately increase along with them, according to the policy’s “participation rate.” For example, assuming an annual point-to-point crediting method, a 100% participation rate means that if the market index increases 10%, the EIUL value would increase 10%. The actual percentage increase would be subject to the crediting method in the product, and any cap. A product with an 80% participation rate would result in an increase of 8% in this same example. The participation rate may also be subject to a cap.
- **Cap:** A maximum percentage limitation on the product’s earnings, as defined by the individual EIUL policy. In the example above, if the market index return was 12% and the product cap was 10%, the increase to the policy value would be 10% (assuming a 100% participation rate).



Safety with an opportunity for gains.

Equity index universal life insurance is a financial product with the potential to link returns to increases in a market index, without the fear of losing principal from a market index downturn. EIUL is an ideal product for clients who need life insurance protection, want the potential for increases in their policy value over time from linking to market indexes, plus more access, flexibility, and control than is available in traditional life insurance.



Profile: The S&P 500 and Nasdaq-100 Indexes

Two of the most common indexes used for determining EIUL index gains are the S&P 500 and Nasdaq-100®. Here's a quick look at both of these important indexes.

Standard & Poor's 500 Index

The S&P 500 Index is considered by many to be the most common benchmark used in measuring the performance of U.S. stock market large caps.

The S&P 500 Index represents a broad cross section of common stocks traded on the New York Stock Exchange and Nasdaq. The index is a selection of 500 leading companies from 100 distinct industry groups found in 10 leading American industrial market sectors.

For more information about the S&P 500 Index, visit www.spglobal.com.

Nasdaq-100

Launched in January 1985, the Nasdaq-100 Index includes 100 of the Nasdaq Stock Market's most actively traded issues, representing a cross-section of major industry groups. Its 100 companies are selected from the largest domestic and international nonfinancial companies listed on the Nasdaq Stock Market. Company size is based on market capitalization.

For more information about the Nasdaq-100 Index, visit www.nasdaq.com.

A choice of crediting methods for indexing options.

The financial results of an EIUL are linked to the movement of the market index(es) that are made available in equity-indexed products and selected by the client. The actual performance results clients will experience depend upon the calculation or crediting method used. Following are examples of crediting methods in use today.



Monthly point-to-point

Take the monthly percentage increase of the respective market indexes on a specific date each month, up to a cap. The monthly results can be positive or negative.

Add up the positive monthly results, then subtract the negative monthly results. The difference between the two is the index credit for the year. If the total of the 12 monthly returns is negative, the annual return would be zero.

Following is an illustration showing 12 months of hypothetical market index returns based on a 3.80% monthly cap. The cap is established on every policy anniversary, and is guaranteed for the next policy year. Increases impacted by the cap are shown below in **bold** type. For this example, premium is allocated to a single index.

<i>Assumed cap percentage: 3.80%</i>		
Month	Hypothetical monthly index return	Capped monthly return
1	5.27	+3.80
2	-2.00	-2.00
3	2.00	+2.00
4	-1.50	-1.50
5	4.61	+3.80
6	2.50	+2.50
7	3.87	+3.80
8	0.25	+0.25
9	-3.00	-3.00
10	-4.00	-4.00
11	4.43	+3.80
12	2.25	+2.25
		+11.70%
(The sum of capped monthly returns equals the year's index credit.)		

There is no established limit on negative returns in any individual month. However, clients have a safety net. In the example above, if the sum of next year's capped monthly returns yields a negative total, the annual index credit will be zero, or limited to a floor, depending on the product selected.



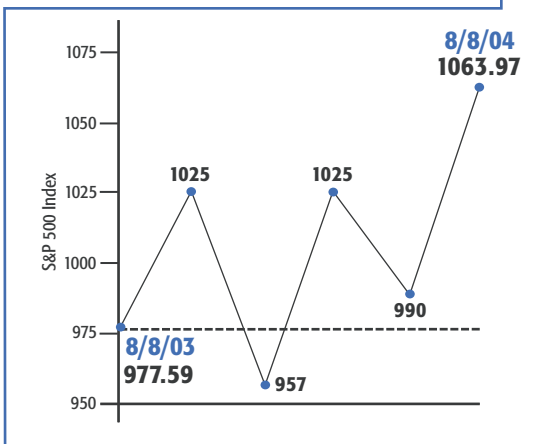
Annual point-to-point

Take the annual percentage return of the respective market indexes on a specific date each year. A portion of any increase (the participation rate) is credited to the accumulation value at the end of each policy year, up to an annual maximum (the cap).

Example:

100% participation rate and a 14% annual cap
Ending value: S&P 500 index on August 8, 2004
Starting value: S&P 500 index on August 8, 2003

$$\begin{array}{r} 1063.97 \text{ (8/8/04 value)} \\ - 977.59 \text{ (8/8/03 value)} \\ \hline 86.38 \text{ divided by } 977.59 = .0884 \end{array}$$



Source: finance.yahoo.com, 1/2005

The year-end credit in this example would be 8.84%, which would be credited to the value at the end of the policy year, up to the annual cap. Since the cap in this example is 14%, it would not come into play. The full 8.84% would be credited to the client's accumulation value.

What makes Allianz Life the #1 choice of agents who have a choice?

Take advantage of the features that top life professionals look for:

- Age last birthday
- Issue age up to 80
- SuperSelect rates
- Standard issue through Table II
- Up to eight risk classes
- Automatically underwrite for the best class with the best rate available
- Autobind up to \$20 million
- Multi-benefit products
- Equity index universal life insurance
- Guaranteed premium and death benefit
- Accumulation bonuses
- Premium bonus
- Preferred Settlement Value
- Death benefit bonus

We deliver all these and unparalleled service besides:

- FASTeam
- Exceptional underwriting support
 - Personalized, direct-access relationship with underwriters
 - Flexible service, tailored to your needs
 - Case design team partners with you to streamline the process
 - On rated cases, a team member works directly with you to assist with the best situation for the client, at the best possible level
- Specialized marketing materials
- 48-hour, \$100 challenge
- 24/7 access to our Web site, www.accessallianz.com, for:
 - Forms
 - Marketing materials
 - Sales ideas
 - Customized postcards and mailers
 - Pre-approach letters and flyers
 - Policy information and status of cases in progress
 - Commission information
- Daily commissions paid via EFT
- Training opportunities via workshops, Web seminars, and conference calls
- Field executives available to assist with cases and questions





Performance

We are focused on you, the independent insurance agent or financial planner. Since 2000, Allianz Life® has been named the #1 choice of independent agents by LIMRA International. We are a company that provides you with strong performance within all of our products. Today's consumer is much more knowledgeable and demanding, and if you are not able to bring strong performing products to the table, those consumers will look elsewhere.

Commission

We understand that you are building a business. To be successful, you need insurance products that provide you with a fair and adequate commission, so you can build and grow your business. Our products are all designed to provide you with that fair and equitable commission.

Safety

Today's consumer is extremely interested in the safety of their wealth. With the size and strength of Allianz Life®, the safety of the money your clients entrust to us is assured.

Strength and safety from an industry leader.

Allianz Life Insurance Company of North America (Allianz Life) is a member of the Allianz Group. With over 700 subsidiaries in more than 70 countries, the Allianz Group is one of the world's leading providers of integrated financial services. Allianz Life has consistently been assigned financial strength ratings by Standard & Poor's and A.M. Best that are among the highest available. It is one of a select group of major insurance companies to receive such high ratings.

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.

We believe that the value proposition we provide to you, the producer, really is one that gives you the entire package of strong performance, fair and equitable commission, and the utmost in safety.

Your success will be enhanced when you work with the company that can deliver what's next, better. Allianz Life, the future of annuities, long term care insurance and life insurance. The best at next.™



Discover the complete portfolio of innovative wealth management solutions from Allianz Life.[®]

Call the FASTeam at **800/950-7372** (press 1 for Sales Support, then 2 for Life) for detailed information, quotes, sales materials, and illustrations. Or visit **www.accessallianz.com**.

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Product availability and benefits may vary by state

Wealth Management

ALLIANZ LIFE: WHERE YOU ARE INDEPENDENT, BUT NOT ALONE