

# Allianz Benefit Control Fixed Indexed Annuity

## Product Analysis & Suitability Assessment

<b>Product Type</b>	Fixed Indexed Annuity
<b>Issuer</b>	Allianz Life Insurance Company of North America
<b>Contract Term</b>	10 years
<b>Minimum Premium</b>	\$20,000
<b>Document Date</b>	November 12, 2025

## Executive Summary

The Allianz Benefit Control is a fixed indexed annuity designed for conservative investors seeking principal protection, tax-deferred growth, and flexible lifetime income options. With a 10-year surrender period and unique features like Index Lock and the Bonus Control Benefit, this product offers a balance between safety and growth potential. It is particularly suited for individuals aged 50+ who prioritize income protection and are comfortable committing funds for a decade.

## Core Product Features

- Fixed indexed annuity with two primary values: Accumulation Value and Protected Income Value (PIV)
- 10-year surrender charge period
- Tax-deferred growth potential
- Principal protection from market downturns
- No direct market participation (tracks index performance without owning securities)

## Premium Structure

- Minimum initial premium: \$20,000 (qualified and non-qualified)
- Additional premiums: \$25 to \$25,000 during first 18 months
- Flexible payment options: lump sum or systematic payments
- 60-day rate lock for pending applications

## Surrender Charges & Fees

### Surrender Charge Schedule (10-Year Period)

Contract Year	Surrender Charge
Year 1	9.3%
Year 2	9.3%
Year 3	8.3%
Year 4	7.3%
Year 5	6.25%
Year 6	5.25%
Year 7	4.2%
Year 8	3.15%
Year 9	2.1%
Year 10	1.05%
Year 11+	0%

## Additional Fees

**Allocation Charge:** Currently 0.00%, maximum 2.5%

- Applies to annual point-to-point, 2-year MY, and 5-year MY crediting methods
- Deducted annually from accumulation value and guaranteed minimum value

**Market Value Adjustment (MVA):** Applies during surrender period

- Applied to partial or full surrenders (excluding 10% free withdrawals and RMDs)

**Free Withdrawal Provisions:**

- 10% of premium paid annually without surrender charges
- Available after first contract year
- Subject to ordinary income tax and potential 10% early withdrawal penalty if under age 59½

## **Index Options**

The Allianz Benefit Control offers multiple index allocation options:

**1. S&P; 500 Index**

Comprised of 500 stocks representing major U.S. industrial sectors. Annual point-to-point with cap.

**2. S&P; 500 Futures Daily Risk Control 5% Index**

Balanced daily to achieve 5% target volatility. 2-year and 5-year MY point-to-point.

**3. Bloomberg US Dynamic Balance II ER Index**

Volatility-controlled bond/stock allocation. Multiple crediting methods available.

**4. PIMCO Tactical Balanced ER Index**

S&P; 500, bond component, and cash with volatility targeting. Note: PIMCO is affiliated with Allianz.

**5. BlackRock iBLD Claria ER Index**

Diversified global and domestic market exposure. 2-year MY point-to-point.

**6. Fixed Interest Allocation**

Guaranteed fixed rate option for specified period.

## Crediting Methods

### Annual Point-to-Point with Cap

Compares index value at beginning and end of 1-year period. Cap sets upper limit on indexed interest. Subject to allocation charge.

### Annual Point-to-Point with Participation Rate

Participation rate determines percentage of positive index change credited. Minimum 5% participation rate. Subject to allocation charge.

### 2-Year MY Point-to-Point

Compares index value over 2-year period. Participation rate guaranteed for full period. Minimum 5% participation. Subject to allocation charge.

### 5-Year MY Point-to-Point

Compares index value over 5-year period. Maximum long-term growth potential. Participation rate guaranteed. Minimum 5%. Subject to allocation charge.

**Important:** Current caps, participation rates, and fixed rates are not guaranteed and may change at each crediting period renewal. Visit [www.allianzlife.com/rates](http://www.allianzlife.com/rates) for current rates.

## Special Features

### 1. Index Lock

Ability to lock in an index value at any point during a crediting period, assuring positive index credit regardless of subsequent market performance. One-time use per crediting period. No fee (built-in feature).

### 2. Auto Lock

Automated version of Index Lock. Set upper and lower index interest rate percentage targets during crediting period for automatic capture of gains.

### 3. Bonus Control Benefit

Unique feature allowing control of interest crediting between two primary values. Choose ONE option:

**Option A: Accelerated Protected Income Value** - 50% accumulation value interest factor. Ideal for taking income soon.

**Option B: Balanced Protected Income Value** - 25% premium bonus on first 18 months + 100% interest bonus for life. Ideal for maximizing lifetime income.

## Riders & Benefits

### Built-In Riders (No Additional Cost)

#### 1. Protected Income Value (PIV)

- Separate value used to calculate lifetime withdrawal amounts
- Can begin withdrawals between ages 50-100
- Flexible start on any monthly anniversary after age 50
- Not available as lump sum; only through lifetime withdrawals

#### 2. Allianz Income Multiplier Benefit

- Doubles annual lifetime withdrawal amount
- Qualification: 90+ days facility confinement OR unable to perform 2+ ADLs
- Activities of Daily Living (ADLs): Bathing, continence, dressing, eating, toileting, transferring
- Available after 5th contract anniversary
- No additional cost

#### 3. Nursing Home/Hospitalization Waiver

- Access accumulation value without surrender charges
- Requires 30 out of 35 consecutive days confinement
- Available after one year of deferral
- No fee

### Optional Riders (Additional Cost)

#### Flexible Withdrawal Benefit Rider

- One-time lump-sum withdrawal up to full accumulation value
- Trigger: 30/35 days confinement
- Additional annual charge applies

## Lifetime Withdrawal Provisions

### Withdrawal Percentages by Age

Age at Income Start	Single Life %	Joint Life %
50-54	4.0%	3.5%
55-59	4.5%	4.0%
60-64	5.0%	4.5%
65-69	5.5%	5.0%
70-74	6.0%	5.5%
75-79	6.5%	6.0%
80+	7.0%	6.5%

*Note: Percentages may vary by state*

### Withdrawal Features

- Can begin immediately or on any monthly anniversary after age 50
- No minimum waiting period
- Based on PIV (not accumulation value)
- Annual maximum withdrawal increases possible based on credited interest
- Subject to ordinary income tax and 10% penalty if under age 59½

# Commission Structure & Expected Returns

## Commission Structure

- Industry standard range: 2-8% (one-time payment to agent)
- Typical for similar products: 6-7.5% first-year commission
- Paid by insurance company, no direct cost to contract holder
- Fee-only alternatives available (typically 1% annual management fee)

## Realistic Return Expectations

**Conservative Estimate: 2-6% annually over long term**

Factors Affecting Returns:

- Index performance (excluding dividends in most cases)
- Caps and participation rates limit upside
- Market volatility
- Allocation charges (if applicable)

**Important:** Not buying actual stocks or index shares. Holding options on indexes. Most indexes do NOT include dividends (significant portion of S&P 500 historical returns). Agent claims of 6%+ returns should be viewed skeptically.

## **Suitability Analysis**

### **Who This Product Is a GOOD FIT For**

#### **Conservative Investors**

- Prioritize principal protection over maximum growth
- Uncomfortable with market volatility
- Prefer safety and security in retirement planning

#### **Pre-Retirees and Retirees (Ages 50+)**

- Approaching or in retirement
- Need guaranteed income stream
- Want flexibility to start income early

#### **Income-Focused Individuals**

- Primary goal is lifetime income (not lump-sum accumulation)
- Willing to commit to structured withdrawals
- Value guaranteed income that can't be outlived

#### **Long-Term Horizon**

- Can commit funds for 10 years minimum
- Don't anticipate needing substantial liquidity
- Have other emergency funds available

#### **Tax-Deferred Growth Seekers**

- Maxed out other tax-advantaged accounts
- In high tax bracket during earning years
- Want to defer taxes until retirement

#### **Long-Term Care Concerned**

- Value Income Multiplier Benefit
- Want nursing home waivers
- Planning for potential health care needs

## **Who This Product Is NOT a GOOD FIT For**

### **Individuals Needing Liquidity**

- May need to access funds within 10 years
- Don't have adequate emergency reserves
- Could face 9.3% surrender charges plus MVA

### **Aggressive Growth Investors**

- Seeking market-like returns (8-10%+ annually)
- Comfortable with market volatility
- Want full participation in equity gains

### **Lump-Sum Withdrawal Planners**

- Want ability to take large withdrawals
- Need full access before age 70
- Planning major expenditures

### **Young Investors (Under Age 50)**

- Long time horizon better suited for growth
- Can't start income until age 50
- Surrender penalties punitive for early access

### **Simplicity Seekers**

- Overwhelmed by multiple options
- Don't want to manage Index Lock features
- Prefer straightforward investments

### **Maximum Flexibility Seekers**

- Want ability to change plans without penalties
- May need to relocate or change circumstances
- Uncomfortable with 10-year commitment

### **Fee-Sensitive Investors**

- Concerned about commission structures
- Want to minimize all costs
- Prefer low-cost index funds

## High Return Expectations

- Believe promises of 6%+ guaranteed returns
- Don't understand caps and participation limitations
- Think they're getting full index returns

# Suitability Questionnaire for LLM Analysis

Answer YES or NO to each question based on available prospect/client data. If insufficient data exists to answer a specific question, mark it as 'N/A'. **Important:** Only include questions you CAN answer in the scoring calculation.

## Scoring Formula:

Suitability Score = (Total YES answers ÷ Total Answerable Questions) × 100

**Where:** Total Answerable Questions = Questions answered YES or NO (excludes N/A)

Example Calculation:

- 40 total questions
- 5 questions cannot be answered (marked N/A)
- 35 answerable questions remain
- 28 answered YES
- Score =  $(28 \div 35) \times 100 = 80\%$  (Highly Suitable)

## Scoring Interpretation:

Score Range	Interpretation
80-100%	Highly Suitable
60-79%	Suitable (with discussion)
40-59%	Marginal Fit (detailed discussion)
Below 40%	Not Suitable

## Financial Capacity & Commitment

1. Does the client have at least \$20,000 available to invest?

YES / NO / N/A (if data unavailable)

2. Can the client commit these funds for at least 10 years?

YES / NO / N/A (if data unavailable)

3. Does the client have adequate emergency funds (3-6 months expenses) outside this investment?

YES / NO / N/A (if data unavailable)

4. Will this annuity represent less than 50% of the client's total investable assets?

YES / NO / N/A (if data unavailable)

5. Can the client afford to lose up to 9.3% in surrender charges if early access is needed?

YES / NO / N/A (if data unavailable)

## Age & Time Horizon

6. Is the client age 50 or older?

YES / NO / N/A (if data unavailable)

7. Is the client between ages 55-75 (optimal age range)?

YES / NO / N/A (if data unavailable)

8. Does the client expect to live at least 15+ more years?

YES / NO / N/A (if data unavailable)

## Investment Objectives

9. Is the client's primary goal retirement income (rather than accumulation)?

YES / NO / N/A (if data unavailable)

10. Is the client seeking principal protection from market downturns?

YES / NO / N/A (if data unavailable)

11. Is the client comfortable with expected returns of 2-6% annually?

YES / NO / N/A (if data unavailable)

12. Is the client seeking tax-deferred growth?

YES / NO / N/A (if data unavailable)

13. Does the client want guaranteed lifetime income?

YES / NO / N/A (if data unavailable)

## Risk Tolerance

14. Would the client describe their risk tolerance as conservative or moderate?

YES / NO / N/A (if data unavailable)

15. Is the client uncomfortable with stock market volatility?

YES / NO / N/A (if data unavailable)

16. Does the client prioritize safety over maximum growth?

YES / NO / N/A (if data unavailable)

17. Is the client willing to accept limited upside in exchange for downside protection?

YES / NO / N/A (if data unavailable)

## Liquidity Needs

18. Does the client NOT anticipate needing lump-sum withdrawals exceeding 10% annually?

YES / NO / N/A (if data unavailable)

19. Is the client comfortable with structured lifetime withdrawal percentages?

YES / NO / N/A (if data unavailable)

20. Does the client have other liquid assets for unexpected expenses?

YES / NO / N/A (if data unavailable)

## Understanding & Complexity

21. Does the client understand that this is NOT a direct market investment?

YES / NO / N/A (if data unavailable)

22. Is the client comfortable with complexity of multiple index options?

YES / NO / N/A (if data unavailable)

23. Does the client understand PIV bonuses are only available through lifetime income?

YES / NO / N/A (if data unavailable)

24. Does the client understand surrender charges and MVA?

YES / NO / N/A (if data unavailable)

## Health & Long-Term Care

25. Is the client in good health with no immediate terminal diagnoses?

YES / NO / N/A (if data unavailable)

26. Does the client value the Income Multiplier Benefit?

YES / NO / N/A (if data unavailable)

27. Is the client concerned about outliving their assets?

YES / NO / N/A (if data unavailable)

## Tax Situation

28. Will the client benefit from tax-deferred growth?

YES / NO / N/A (if data unavailable)

29. Does the client understand tax treatment of withdrawals?

YES / NO / N/A (if data unavailable)

30. If under 59½, willing to wait or accept penalty?

YES / NO / N/A (if data unavailable)

## Alternative Options

31. Has the client rejected direct stock investing due to risk concerns?

YES / NO / N/A (if data unavailable)

32. Has the client compared this to alternatives (MYGAs, SPIAs)?

YES / NO / N/A (if data unavailable)

33. Does the client understand commission structure?

YES / NO / N/A (if data unavailable)

## Specific Product Features

34. Is the client interested in Index Lock feature?

YES / NO / N/A (if data unavailable)

35. Does the client want flexibility to start income at age 50?

YES / NO / N/A (if data unavailable)

36. Is the client attracted to premium bonus feature?

YES / NO / N/A (if data unavailable)

37. Does the client value combination of accumulation and income?

YES / NO / N/A (if data unavailable)

### **Disqualifying Factors (Reverse Scoring)**

38. Does the client NOT need aggressive growth (8-10%+)?

YES / NO / N/A (if data unavailable)

39. Is the client NOT planning major purchases in next 10 years?

YES / NO / N/A (if data unavailable)

40. Does the client NOT view this as entire retirement portfolio?

YES / NO / N/A (if data unavailable)

# Score Interpretation & Recommendations

## 90-100% (Highly Suitable)

- Strong alignment with product features
- Proceed with application
- Discuss specific index and crediting method selections

## 75-89% (Suitable)

- Good overall fit with minor concerns
- Address any NO answers before proceeding
- Ensure client fully understands limitations

## 60-74% (Moderately Suitable)

- Mixed fit - significant considerations required
- Deep dive into NO answers
- Explore alternative products
- Only proceed if concerns can be resolved

## 40-59% (Marginal/Not Suitable)

- More NO answers than YES
- Significant misalignment
- Recommend alternative solutions
- Should NOT proceed without major changes

## Below 40% (Not Suitable)

- Strong misalignment
- Do NOT recommend this product
- Explore other options (stocks, bonds, MYGAs, SPIAs)
- Document reasons for non-recommendation

# Critical Considerations & Disclosures

## Important Disclosures

### Not Bank Products

- Not FDIC insured • May lose value • No bank guarantee
- Not a deposit • Not insured by any federal government agency

### Guarantees

- Backed by financial strength of Allianz Life
- Not guaranteed by any government agency
- Subject to insurance company solvency

### Index Performance

- Contract does not directly participate in equity investments
- Not buying shares in an index
- Index dividends typically NOT included

### Bonus Limitations

- Premium and interest bonuses credited only to PIV
- PIV not available as lump sum
- Bonuses lost if fully surrendered
- Bonus products may include higher surrender charges

## Company Information

### Allianz Life Insurance Company of North America

- Parent: Allianz SE (one of world's largest insurance companies)
- In operation since 1896
- Over 1.2 million Americans rely on Allianz
- 2.6+ million contracts issued
- 99% investment-grade portfolio
- Leading provider of fixed indexed annuities

Contact: 800-833-4678 • [www.allianzlife.com](http://www.allianzlife.com)

# Summary Recommendation Framework

## Proceed with Confidence If:

- Client scores 80%+ on suitability questionnaire
- Client has adequate liquidity outside this investment
- Client's primary goal is retirement income
- Client is age 55-75 with good health
- Client understands 10-year commitment
- Client prioritizes safety over maximum growth

## Proceed with Caution If:

- Client scores 60-79% on suitability questionnaire
- Client has concerns about liquidity
- Client expects returns higher than 2-6%
- Client is under 55 or over 80
- Client finds product complexity challenging

## Do NOT Proceed If:

- Client scores below 60% on suitability questionnaire
- Client needs funds within 10 years
- Client wants aggressive growth
- Client doesn't understand product features
- Client has inadequate emergency reserves
- Client views this as entire retirement strategy

## Document Information

**Document Created:** November 12, 2025

**Product Information Current As Of:** November 2025

**Important:** Rates, caps, participation rates, and product features subject to change. Always verify current rates at [www.allianzlife.com/rates](http://www.allianzlife.com/rates) before making recommendations.

## Disclaimer

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