

Allianz Benefit Control

Fixed Indexed Annuity

Product Analysis & Suitability Assessment

Product Type	Fixed Indexed Annuity
Issuer	Allianz Life Insurance Company of North America
Contract Term	10 years
Minimum Premium	\$20,000
Document Date	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 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

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

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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 before making recommendations.

Disclaimer

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