Filing at a Glance

Company: Allianz Life Insurance Company of North America
Product Name: Index Alloc Payout rider - R91018
SERFF Tr Num: ALLD-125621676
State: ArkansasLH
TOI: A10 Annuities - Other
SERFF Status: Closed
State Tr Num: 38782
Sub-TOI: A10.000 Annuities - Other
Co Tr Num: R91018 ET AL
State Status: Approved-Closed
Filing Type: Form
Co Status:
Reviewer(s): Linda Bird
Authors: Sandy Manos, Mary Peterson, Chris Steigauf, Patricia Evans
Disposition Date: 04/30/2008
Date Submitted: 04/24/2008
Disposition Status: Approved
Implementation Date Requested: On Approval
Implementation Date:
State Filing Description:

General Information

Project Name: Index Alloc Payout rider - R91018
Status of Filing in Domicile: Pending
Project Number: Index Alloc Payout rider - R91018
Date Approved in Domicile:
Requested Filing Mode: Review & Approval
Domicile Status Comments:
Explanation for Combination/Other:
Market Type: Individual
Submission Type: New Submission
Group Market Size:
Overall Rate Impact:
Group Market Type:
Filing Status Changed: 04/30/2008
State Status Changed: 04/30/2008
Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
please see Cover Letter under Supporting Documentation

Company and Contact

Filing Contact Information

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Filing Company Information

Allianz Life Insurance Company of North America	CoCode: 90611	State of Domicile: Minnesota
5701 Golden Hills Drive	Group Code: 761	Company Type: 04
Minneapolis, MN 55416-1297	Group Name:	State ID Number:
(800) 328-5601 ext. [Phone]	FEIN Number: 41-1366075	

Filing Fees

Fee Required?	Yes
Fee Amount:	$100.00
Retaliatory?	No
Fee Explanation:	5 forms @ $20/ea. = $100.00
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Allianz Life Insurance Company of North America	$100.00	04/24/2008	19875571

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	04/30/2008	04/30/2008

Disposition

Disposition Date: 04/30/2008
Implementation Date:
Status: Approved
Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Cover Letter		Yes
Supporting Document	Actuarial Certification		No
Supporting Document	Certificate of Readability		Yes
Supporting Document	Statement of Variability		Yes
Form	Index Allocation Payout Rider		Yes
Form	Index Allocation Payout Rider		Yes
Form	Index Allocation Rider		Yes
Form	Application		Yes
Form	Income Withdrawal Inflation Rider		Yes

Form Schedule

Lead Form Number: R91018

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	R91018	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Index Allocation Payout Rider	Initial		52	R91018 Index Rider w.out CPI 4.21.08.pdf
	R91019	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Index Allocation Payout Rider	Initial		52	R91019 w.CPI Index Rider 4.21.08.pdf
	R95254-CPI-01	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Index Allocation Rider	Initial		50	R95254-CPI-01 4.21.08.pdf
	IMMED-01	Application/Enrollment Form	Application	Initial		50	IMMED-01 04.09.08.pdf
	R91007-03	Policy/Cont	Income Withdrawal	Initial		50	R91007-03

ract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Inflation Rider	4.21.08.pdf

Index Allocation Payout Rider

This rider provides the opportunity for your Annuity Payment to increase annually based on changes in one or more external Indexes, or based on a fixed interest rate. **This is an insurance contract. It is not a security. Although an external Index or Indexes may affect your Annuity Payment, the contract does not directly participate in any stock or other investments. You are not buying any bonds, shares of stock or shares of an Index. The market Index value does not include the dividends paid on the stocks underlying the market Index, and these dividends are not reflected in any interest credited to your Annuity Payment.**

The Company has issued this rider as a part of the contract. If the provisions of this rider are exercised on the Annuity Date and if there are any conflicts between this rider and the contract, the provisions of this rider will prevail.

Annuity Option Payments

If you exercise the Index Allocation Payout Rider on the Annuity Date, only the following annuity Options are available.

The Initial Annuity Payment amount is shown on the Annuity Option Agreement. At the end of each Annuity Year, we will calculate your adjusted Annuity Payment amount. The adjusted Annuity Payment amount will reflect any increase based on positive changes in one or more external Indexes, or based on the fixed interest rate that you select.

Once Annuity Payments begin, you can not change the annuity Option or the payment frequency you selected. Each installment will consist of part benefit and part interest. Installments will be based on purchase rates we declare at the time you exercise the Index Allocation Payout Rider. Values for ages and minimum guaranteed terms will be furnished upon request.

Options available after the fifth Contract Year

Option A – Installments for a Guaranteed Period
You will receive Annuity Payments for the duration of a Guaranteed Period from 10 to 30 years. There will be no remaining payments after the Guaranteed Period.

Option B – Installments for Life
You will receive Annuity Payments as long as the Annuitant is living. There will be no remaining payments after the death of the Annuitant.

Option C – Installments for Life with a Guaranteed Period
You will receive Annuity Payments as long as the Annuitant is living. If the Annuitant dies during the Guaranteed Period, Annuity Payments will continue for the duration of the Guaranteed Period. If the Annuitant dies after the Guaranteed Period, there will be no remaining payments. The Guaranteed Period may be from five to 30 years.

Option D – Joint and Survivor with a Guaranteed Period
You will receive Annuity Payments as long as either Annuitant is living. If both Annuitants die during the Guaranteed Period, Annuity Payments will continue for the duration of the Guaranteed Period. If one or both Annuitants are still living at the end of the Guaranteed Period, payments will continue until the death of the last surviving Annuitant. The Guaranteed Period may be from five to 30 years. There will be no remaining payments after the death of both Annuitants.

Option E – Joint and Survivor Annuity
You will receive Annuity Payments as long as either Annuitant is living. There will be no remaining payments after the death of both Annuitants.

Option F – Joint and 2/3 Survivor Annuity
You will receive Annuity Payments until the death of either Annuitant. You will then receive two-thirds of the Annuity Payment until the death of the surviving Annuitant. There will be no remaining payments after the death of both Annuitants.

Option G – Joint and 50% Survivor Annuity
You will receive Annuity Payments until the death of either Annuitant. You will then receive 50% of the Annuity Payment until the death of the surviving Annuitant. There will be no remaining payments after the death of both Annuitants.

For Annuity Payment Options D, E, F, and G, upon the death of either Annuitant, we will recalculate the adjusted Annuity Payment by multiplying it by the survivor amount/percentage shown on the Annuity Option Agreement. The result is the adjusted Annuity Payment amount that will continue to be allocated to your selected allocations and will earn 100% of the Annual Interest Rate until the death of the surviving Annuitant.

Options available after the first Contract Year

Any time after the first Contract Year but before the sixth Contract Year, you may request Option J, equal installments for a period certain of 10 to 30 years. Or, any time after the first Contract Year, at the higher ages shown in the table below, you may request Option K, equal installments for a period certain of less than 10 years.

If you choose either annuity Option J or Option K prior to the sixth Contract Year, Annuity Payments will be based on your Annuitization Value less any applicable bonuses and any interest earned on the bonuses. We calculate this amount by dividing (a) by (1 + b), where:
(a) is the Annuitization Value; and
(b) is any Premium Bonus Percentage.

If you choose annuity Option K after the fifth Contract Year, Annuity Payments will be based on your full Annuitization Value. Annuity Option J is not available after the fifth Contract Year.

We will require proof of the Annuitant's age and gender. The age used for the annuity Option will be the Annuitant's age on the Annuity Date.

Option J – Installments for a Guaranteed Period when Annuitized after the First Contract Year and before the Sixth Contract Year
You will receive Annuity Payments for the duration of a Guaranteed Period from 10 to 30 years. There will be no remaining payments after the Guaranteed Period.

Option K – Installments for a Guaranteed Period when Annuitized after the First Contract Year at higher ages
You will receive Annuity Payments for the duration of a Guaranteed Period of less than 10 years for higher ages. Unless otherwise required by law, the Guaranteed Period must be at least the minimum Guaranteed Period shown in the table below, based on the applicable age and gender, and may not exceed nine years.

Minimum Guaranteed Period Table

Male			
Age(s)	Minimum Guaranteed Period Available	Age	Minimum Guaranteed Period Available
80	9 years	90	5 years
81	9 years	91	5 years
82	8 years	92	5 years
83	8 years	93	4 years
84	7 years	94	4 years
85	7 years	95	4 years
86	6 years	96	4 years
87	6 years	97	3 years
88	6 years	98	3 yeas
89	5 years	99	3 years
		100	3 years

Female			
Age(s)	Minimum Guaranteed Period Available	Age	Minimum Guaranteed Period Available
82	8 years	91	5 years
83	8 years	92	5 years
84	7 years	93	4 years
85	7 years	94	4 years
86	6 years	95	4 years
87	6 years	96	4 years
88	6 years	97	3 years
89	5 years	98	3 yeas
90	5 years	99	3 years
		100	3 years

Allocation Options

Description of the Allocations
You may allocate your Annuity Payment as follows:
(a) among one or more Index Allocations in 1% increments that must total 100%; or
(b) 100% to the Fixed Interest Allocation.

For the Index Allocations, Allocated Annuity Payment(s) may increase based on changes in one or more external Indexes. While we do not guarantee that an Allocated Annuity Payment will increase, we do guarantee that your adjusted Annuity Payment will not decrease as a result of changes in an external Index. If publication of an Index is discontinued, upon receiving any required regulatory approval, we will substitute a comparable Index and send notice to you at your last known address.

For the Fixed Interest Allocation, Allocated Annuity Payment(s) will increase based on a Fixed Interest Rate that you select on the Annuity Date. We guarantee this rate for all Annuity Years.

Option to Change Allocation Percentages
The Allocation Percentages you selected are shown on the Allocation Option form. After the first Annuity Year, unless you selected the Fixed Interest Allocation, you have the option to change your Allocation Percentages at the beginning of any Annuity Year by sending us Notice. Your Allocation Percentages must be in increments of 1% and must total 100%. Allocation Percentages in effect for the current Annuity Year will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to change Allocation Percentages received after this 21 calendar day period will go into effect for the subsequent Annuity Year.

If you selected the Fixed Interest Allocation, you cannot change the Allocation Percentage.

Option to Reallocate Values
We do not automatically reallocate your contract values. At the beginning of each Annuity Year, you have the option to reallocate your adjusted Annuity Payment according to your current Allocation Percentages by sending us Notice. The Allocated Annuity Payment amount in each option after the reallocation will be equal to the adjusted Annuity Payment multiplied by the Allocation Percentage for that allocation option. If you choose to reallocate for the current Annuity Year, the reallocation will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to reallocate values received after this 21 calendar day period will go into effect for the subsequent Annuity Year.

If you selected the Fixed Interest Allocation, you cannot reallocate your contract values.

Option to Change Crediting Method
The Allocation(s) and Crediting Method(s) you selected are shown on the Allocation Option form. Unless you selected the Fixed Interest Allocation, you have the option to change your Allocation(s) and Crediting Method(s) at the beginning of each Annuity Year by sending us Notice. A change in Allocation(s) and Crediting Method(s), if selected, for the current Annuity Year will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to change Crediting Method(s) received after the 21 calendar day period will go into effect for the subsequent Annuity Year.

The Fixed Interest Allocation cannot be changed.

Determining your Adjusted Annuity Payment

On the Annuity Date, we allocate your Annuity Payment among your selected allocation options according to your Allocation Percentages. The Allocated Annuity Payment amount in each allocation option is equal to the Annuity Payment multiplied by the Allocation Percentage for that allocation option.

At the end of each Annuity Year, we will calculate your adjusted Annuity Payment. We will increase the Allocated Annuity Payment amount for an allocation option if the Annual Interest Rate for that allocation option is greater than zero. The Annual Interest Rate will never be less than zero. The adjusted Annuity Payment is equal to the sum of all Allocated Annuity Payment amounts.

The Allocated Annuity Payment amount in each of your selected allocation options at the end of each Annuity Year is equal to (a) multiplied by (b), where:
(a) is the Allocated Annuity Payment amount; and
(b) is one plus the Annual Interest Rate for that allocation option.

Determining your Annual Interest Rate

<u>For the Index Crediting Methods</u>
We offer three Index Crediting Methods: Annual Point-to-Point, Monthly Sum, and Monthly Average. The Index Crediting Method for each Index Allocation is used to determine the Annual Interest Rate for that Allocation.

Annual Point-to-Point Crediting Method
The Annual Interest Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Annual Index Return (or Weighted Annual Index Return for a Blended Index Allocation), or its annual Cap, if applicable. The Annual Interest Rate will never be less than zero.

The Annual Index Return is the percentage change of the Index value for the Annuity Year. It is the Annual Index Change divided by the Initial Annual Index Value. The Annual Index Change is the Index value at the end of the Last Business Day of the Annuity Year minus the Initial Annual Index Value. The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year.

The Weighted Annual Index Return is determined by adding, for all Indexes within a Blended Index Allocation, the results obtained by multiplying each Annual Index Return (calculated as described above) by its Index Weight. The Index Weight for each Index within a Blended Index Allocation is shown on the Annuity Option Agreement and is guaranteed for all Annuity Years.

Monthly Sum Crediting Method
The Annual Interest Rate for each Index Allocation is the sum of the Monthly Sum Index Rates during the Annuity Year. The Annual Interest Rate will never be less than zero.

The Monthly Sum Index Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Monthly Sum Index Return, or its monthly Cap. The Monthly Sum Index Rate in any Annuity Month may be less than zero.

The Monthly Sum Index Return is the percentage change of the Index value for the Annuity Month. It is the Monthly Sum Index Change divided by the Initial Monthly Index Value. The Monthly Sum Index Change is the Index value at the end of the Last Business Day of the Annuity Month minus the Initial Monthly Index Value. The Initial Monthly Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Month.

Monthly Average Crediting Method
The Annual Interest Rate for each Index Allocation is its Participation Rate multiplied by its Monthly Average Index Rate, then reduced by its Annual Spread. The Annual Interest Rate will never be less than zero.

The Monthly Average Index Rate is the average of the Monthly Average Index Values for each Annuity Month within an Annuity Year minus the Initial Annual Index Value, then divided by the Initial Annual Index Value.

The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year. The Monthly Average Index Value is the value of the Index at the end of the Last Business Day of the Annuity Month.

Determining your Caps, Participation Rates, and Annual Spreads
We declare Caps on every Annuity Anniversary. For each Index Allocation with the Annual Point-to-Point Crediting Method, we may declare an annual Cap. For each Index Allocation with the Monthly Sum Crediting Method, we declare a monthly Cap. For Index Allocations with the Monthly Average Crediting Method, there is no applicable Cap, but there is an Annual Spread.

Caps are guaranteed for the entire Annuity Year. We can change Caps each Annuity Year, but each Cap will never be less than its guarantee shown on the Annuity Option Agreement. Caps for the first Annuity Year are shown on the Annuity Option Agreement. Caps for subsequent Annuity Years will be shown on your Annual Payment Summary. The Caps may limit the increase to your adjusted Annuity Payment.

We declare Participation Rates for each Index Allocation on the Annuity Date. The Participation Rates for Index Allocations with a Cap or an Annual Spread are guaranteed for all Annuity Years. We can change the Participation Rates for Index Allocations without a Cap or an Annual Spread each Annuity Year, but each Participation Rate will never be less than its guarantee shown on the Annuity Option Agreement. Participation Rates are shown on the Annuity Option Agreement. Participation Rates for subsequent Annuity Years will be shown on the Annual Payment Summary. A Participation Rate below 100% may limit the increase to your adjusted Annuity Payment.

We declare Annual Spreads for each Index Allocation with the Monthly Average Crediting Method on every Annuity Anniversary. Annual Spreads are guaranteed for the entire Annuity Year. We can change Annual Spreads each Annuity Year, but each Annual Spread will never be more than its guarantee shown on the Annuity Option Agreement. Annual Spreads for the first Annuity Year are shown on the Annuity Option Agreement. Annual Spreads for subsequent Annuity Years will be shown on your Annual Payment Summary. An Annual Spread greater than zero may limit the increase to your adjusted Annuity Payment.

For the Fixed Interest Allocation
The Annual Interest Rate for the Fixed Interest Allocation is the Fixed Interest Rate shown on the Annuity Option Agreement. We guarantee this rate for all Annuity Years.

General Provisions

Annual Payment Summary
We will send you a summary showing contract activity at the end of each Annuity Year until this rider terminates.

Termination of this Rider

This rider terminates on the date our last payment obligation is met under the annuity Option you selected.

Glossary

Annuity Anniversary
The day and month of each Annuity Year that correspond to the day and month of the Annuity Date. The first Annuity Anniversary is 12 months after the Annuity Date. If the day of the Annuity Anniversary is not in a month, the last day of that month will be considered the Annuity Anniversary.

Annuity Month
A period of one month. The first Annuity Month begins on the Annuity Date and subsequent Annuity Months begin on the Annuity Monthly Anniversary. All Annuity Months end on the day before the next Annuity Monthly Anniversary.

Annuity Monthly Anniversary
The day of each Annuity Month that corresponds to the day of the month of the Annuity Date. The first Annuity Monthly Anniversary is one month after the Annuity Date. If the day of the Annuity Monthly Anniversary is not in a month, the last day of that month will be considered the Annuity Monthly Anniversary.

Annuity Payment
The amount that is equal to the Payment Amount shown on the Annuity Option Agreement.

Annuity Year
A period of 12 consecutive months. The first Annuity Year begins on the Annuity Date, and subsequent Annuity Years begin on the Annuity Anniversary. All Annuity Years end on the day before the next Annuity Anniversary.

In all other respects the provisions, conditions, exceptions and limitations contained in the contract remain unchanged and apply to this rider.

Signed for the Company at its home office.

**Allianz Life Insurance Company
of North America**

[ ]

Cynthia L. Pevehouse Secretary	Gary Bhojwani President

Index Allocation Payout Rider

This rider provides the opportunity for your Annuity Payment to increase annually based on changes in one or more external Indexes or in a consumer price index, or based on a fixed interest rate. **This is an insurance contract. It is not a security. Although an external Index or Indexes may affect your Annuity Payment, the contract does not directly participate in any stock or other investments. You are not buying any bonds, shares of stock or shares of an Index. The market Index value does not include the dividends paid on the stocks underlying the market Index, and these dividends are not reflected in any interest credited to your Annuity Payment.**

The Company has issued this rider as a part of the contract. If the provisions of this rider are exercised on the Annuity Date and if there are any conflicts between this rider and the contract, the provisions of this rider will prevail.

Annuity Option Payments

If you exercise the Index Allocation Payout Rider on the Annuity Date, only the following annuity Options are available.

The Initial Annuity Payment amount is shown on the Annuity Option Agreement. At the end of each Annuity Year, we will calculate your adjusted Annuity Payment amount. The adjusted Annuity Payment amount will reflect any increase based on positive changes in one or more external Indexes, or based on the fixed interest rate that you select.

Once Annuity Payments begin, you can not change the annuity Option or the payment frequency you selected. Each installment will consist of part benefit and part interest. Installments will be based on purchase rates we declare at the time you exercise the Index Allocation Payout Rider. Values for ages and minimum guaranteed terms will be furnished upon request.

Options available after the fifth Contract Year

Option A – Installments for a Guaranteed Period
You will receive Annuity Payments for the duration of a Guaranteed Period from 10 to 30 years. There will be no remaining payments after the Guaranteed Period.

Option B – Installments for Life
You will receive Annuity Payments as long as the Annuitant is living. There will be no remaining payments after the death of the Annuitant.

Option C – Installments for Life with a Guaranteed Period
You will receive Annuity Payments as long as the Annuitant is living. If the Annuitant dies during the Guaranteed Period, Annuity Payments will continue for the duration of the Guaranteed Period. If the Annuitant dies after the Guaranteed Period, there will be no remaining payments. The Guaranteed Period may be from five to 30 years.

Option D – Joint and Survivor with a Guaranteed Period
You will receive Annuity Payments as long as either Annuitant is living. If both Annuitants die during the Guaranteed Period, Annuity Payments will continue for the duration of the Guaranteed Period. If one or both Annuitants are still living at the end of the Guaranteed Period, payments will continue until the death of the last surviving Annuitant. The Guaranteed Period may be from five to 30 years. There will be no remaining payments after the death of both Annuitants.

Option E – Joint and Survivor Annuity
You will receive Annuity Payments as long as either Annuitant is living. There will be no remaining payments after the death of both Annuitants.

Option F – Joint and 2/3 Survivor Annuity
You will receive Annuity Payments until the death of either Annuitant. You will then receive two-thirds of the Annuity Payment until the death of the surviving Annuitant. There will be no remaining payments after the death of both Annuitants.

Option G – Joint and 50% Survivor Annuity
You will receive Annuity Payments until the death of either Annuitant. You will then receive 50% of the Annuity Payment until the death of the surviving Annuitant. There will be no remaining payments after the death of both Annuitants.

For Annuity Payment Options D, E, F, and G, upon the death of either Annuitant, we will recalculate the adjusted Annuity Payment by multiplying it by the survivor amount/percentage shown on the Annuity Option Agreement. The result is the adjusted Annuity Payment amount that will continue to be allocated to your selected allocations and will earn 100% of the Annual Interest Rate until the death of the surviving Annuitant.

Options available after the first Contract Year

Any time after the first Contract Year but before the sixth Contract Year, you may request Option J, equal installments for a period certain of 10 to 30 years. Or, any time after the first Contract Year, at the higher ages shown in the table below, you may request Option K, equal installments for a period certain of less than 10 years.

If you choose either annuity Option J or Option K prior to the sixth Contract Year, Annuity Payments will be based on your Annuitization Value less any applicable bonuses and any interest earned on the bonuses. We calculate this amount by dividing (a) by (1 + b), where:
(a) is the Annuitization Value; and
(b) is any Premium Bonus Percentage.

If you choose annuity Option K after the fifth Contract Year, Annuity Payments will be based on your full Annuitization Value. Annuity Option J is not available after the fifth Contract Year.

We will require proof of the Annuitant's age and gender. The age used for the annuity Option will be the Annuitant's age on the Annuity Date.

Option J – Installments for a Guaranteed Period when Annuitized after the First Contract Year and before the Sixth Contract Year
You will receive Annuity Payments for the duration of a Guaranteed Period from 10 to 30 years. There will be no remaining payments after the Guaranteed Period.

Option K – Installments for a Guaranteed Period when Annuitized after the First Contract Year at higher ages
You will receive Annuity Payments for the duration of a Guaranteed Period of less than 10 years for higher ages. Unless otherwise required by law, the Guaranteed Period must be at least the minimum Guaranteed Period shown in the table below, based on the applicable age and gender, and may not exceed nine years.

Minimum Guaranteed Period Table

Male			
Age(s)	Minimum Guaranteed Period Available	Age	Minimum Guaranteed Period Available
80	9 years	90	5 years
81	9 years	91	5 years
82	8 years	92	5 years
83	8 years	93	4 years
84	7 years	94	4 years
85	7 years	95	4 years
86	6 years	96	4 years
87	6 years	97	3 years
88	6 years	98	3 yeas
89	5 years	99	3 years
		100	3 years

Female			
Age(s)	Minimum Guaranteed Period Available	Age	Minimum Guaranteed Period Available
82	8 years	91	5 years
83	8 years	92	5 years
84	7 years	93	4 years
85	7 years	94	4 years
86	6 years	95	4 years
87	6 years	96	4 years
88	6 years	97	3 years
89	5 years	98	3 yeas
90	5 years	99	3 years
		100	3 years

Allocation Options

Description of the Allocations
You may allocate your Annuity Payment as follows:
(a) among one or more Index Allocations in 1% increments that must total 100%; or
(b) 100% to the CPI-U Rate Allocation option; or
(c) 100% to an Index Allocation that includes a CPI-U Rate Guarantee Crediting Method; or
(d) 100% to the Fixed Interest Allocation.

For the Index Allocation, CPI-U Rate Allocation or any of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, Allocated Annuity Payment(s) may increase based on changes in one or more external Indexes or in a consumer price index. While we do not guarantee that an Allocated Annuity Payment will increase, we do guarantee that your adjusted Annuity Payment will not decrease as a result of changes in an external Index or a consumer price index. If publication of an Index or the consumer price index is discontinued, upon receiving any required regulatory approval, we will substitute a comparable Index or consumer price index and send notice to you at your last known address.

For the Fixed Interest Allocation, Allocated Annuity Payment(s) will increase based on a Fixed Interest Rate that you select on the Annuity Date. We guarantee this rate for all Annuity Years.

Option to Change Allocation Percentages
The Allocation Percentages you selected are shown on the Allocation Option form. After the first Annuity Year, unless you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, you have the option to change your Allocation Percentages at the beginning of any Annuity Year by sending us Notice. Your Allocation Percentages must be in increments of 1% and must total 100%. Allocation Percentages in effect for the current Annuity Year will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to change Allocation Percentages received after this 21 calendar day period will go into effect for the subsequent Annuity Year.

If you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, you cannot change these Allocation Percentages.

Option to Reallocate Values
We do not automatically reallocate your contract values. At the beginning of each Annuity Year, you have the option to reallocate your adjusted Annuity Payment according to your current Allocation Percentages by sending us Notice. The Allocated Annuity Payment amount in each option after the reallocation will be equal to the adjusted Annuity Payment multiplied by the Allocation Percentage for that allocation option. If you choose to reallocate for the current Annuity Year, the reallocation will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to reallocate values received after this 21 calendar day period will go into effect for the subsequent Annuity Year.

If you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allcoations that inlcude a CPI-U Rate Guarantee Crediting Method, you cannot reallocate your contract values.

Option to Change Crediting Method
The Allocation(s) and Crediting Method(s) you selected are shown on the Allocation Option form. Unless you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, you have the option to change your Allocation(s) and Crediting Method(s) at the beginning of each Annuity Year by sending us Notice. A change in Allocation(s) and Crediting Method(s), if selected, for the current Annuity Year will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to change Crediting Method(s) received after the 21 calendar day period will go into effect for the subsequent Annuity Year.

The Fixed Interest Allocation, CPI-U Rate Allocation and any of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method cannot be changed.

Determining your Adjusted Annuity Payment

On the Annuity Date, we allocate your Annuity Payment among your selected allocation options according to your Allocation Percentages. The Allocated Annuity Payment amount in each allocation option is equal to the Annuity Payment multiplied by the Allocation Percentage for that allocation option.

At the end of each Annuity Year, we will calculate your adjusted Annuity Payment. We will increase the Allocated Annuity Payment amount for an allocation option if the Annual Interest Rate for that allocation option is greater than zero. The Annual Interest Rate will never be less than zero. The adjusted Annuity Payment is equal to the sum of all Allocated Annuity Payment amounts.

The Allocated Annuity Payment amount in each of your selected allocation options at the end of each Annuity Year is equal to (a) multiplied by (b), where:
(a) is the Allocated Annuity Payment amount; and
(b) is one plus the Annual Interest Rate for that allocation option.

Determining your Annual Interest Rate

<u>For the Index Crediting Methods</u>
We offer three Index Crediting Methods: Annual Point-to-Point, Monthly Sum, and Monthly Average. The Index Crediting Method for each Index Allocation is used to determine the Annual Interest Rate for that Allocation.

Annual Point-to-Point Crediting Method
The Annual Interest Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Annual Index Return (or Weighted Annual Index Return for a Blended Index Allocation), or its annual Cap, if applicable. The Annual Interest Rate will never be less than zero. If you select any Annual Point-to-Point or CPI-U Rate Guarantee Crediting Method, the Annual Interest Rate will never be less than the CPI-U Rate or zero, whichever is greater.

The Annual Index Return is the percentage change of the Index value for the Annuity Year. It is the Annual Index Change divided by the Initial Annual Index Value. The Annual Index Change is the Index value at the end of the Last Business Day of the Annuity Year minus the Initial Annual Index Value. The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year.

The Weighted Annual Index Return is determined by adding, for all Indexes within a Blended Index Allocation, the results obtained by multiplying each Annual Index Return (calculated as described above) by its Index Weight. The Index Weight for each Index within a Blended Index Allocation is shown on the Annuity Option Agreement and is guaranteed for all Annuity Years.

Monthly Sum Crediting Method
The Annual Interest Rate for each Index Allocation is the sum of the Monthly Sum Index Rates during the Annuity Year. The Annual Interest Rate will never be less than zero. If you select the Monthly Sum or CPI-U Rate Guarantee Crediting Method, the Annual Interest Rate will never be less than the CPI-U Rate or zero, whichever is greater.

The Monthly Sum Index Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Monthly Sum Index Return, or its monthly Cap. The Monthly Sum Index Rate in any Annuity Month may be less than zero.

The Monthly Sum Index Return is the percentage change of the Index value for the Annuity Month. It is the Monthly Sum Index Change divided by the Initial Monthly Index Value. The Monthly Sum Index Change is the Index value at the end of the Last Business Day of the Annuity Month minus the Initial Monthly Index Value. The Initial Monthly Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Month.

Monthly Average Crediting Method
The Annual Interest Rate for each Index Allocation is its Participation Rate multiplied by its Monthly Average Index Rate, then reduced by its Annual Spread. The Annual Interest Rate will never be less than zero. If you select the Monthly Average or CPI-U Rate Guarantee Crediting Method, the Annual Interest Rate will never be less than the CPI-U Rate or zero, whichever is greater.

The Monthly Average Index Rate is the average of the Monthly Average Index Values for each Annuity Month within an Annuity Year minus the Initial Annual Index Value, then divided by the Initial Annual Index Value.

The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year. The Monthly Average Index Value is the value of the Index at the end of the Last Business Day of the Annuity Month.

Determining your Caps, Participation Rates, and Annual Spreads
We declare Caps on every Annuity Anniversary. For each Index Allocation with the Annual Point-to-Point Crediting Method, we may declare an annual Cap. For each Index Allocation with the Monthly Sum Crediting Method, we declare a monthly Cap. For Index Allocations with the Monthly Average Crediting Method, there is no applicable Cap, but there is an Annual Spread.

Caps are guaranteed for the entire Annuity Year. We can change Caps each Annuity Year, but each Cap will never be less than its guarantee shown on the Annuity Option Agreement. Caps for the first Annuity Year are shown on the Annuity Option Agreement. Caps for subsequent Annuity Years will be shown on your Annual Payment Summary. The Caps may limit the increase to your adjusted Annuity Payment.

We declare Participation Rates for each Index Allocation on the Annuity Date. The Participation Rates for Index Allocations with a Cap or an Annual Spread are guaranteed for all Annuity Years. We can change the Participation Rates for Index Allocations without a Cap or an Annual Spread each Annuity Year, but each Participation Rate will never be less than its guarantee shown on the Annuity Option Agreement. Participation Rates are shown on the Annuity Option Agreement. Participation Rates for subsequent Annuity Years will be shown on the Annual Payment Summary. A Participation Rate below 100% may limit the increase to your adjusted Annuity Payment.

We declare Annual Spreads for each Index Allocation with the Monthly Average Crediting Method on every Annuity Anniversary. Annual Spreads are guaranteed for the entire Annuity Year. We can change Annual Spreads each Annuity Year, but each Annual Spread will never be more than its guarantee shown on the Annuity Option Agreement. Annual Spreads for the first Annuity Year are shown on the Annuity Option Agreement. Annual Spreads for subsequent Annuity Years will be shown on your Annual Payment Summary. An Annual Spread greater than zero may limit the increase to your adjusted Annuity Payment.

For the CPI-U Rate Allocation
The Annual Interest Rate for the CPI-U Rate Allocation is the CPI-U Rate or zero, whichever is greater.

For the Fixed Interest Allocation
The Annual Interest Rate for the Fixed Interest Allocation is the Fixed Interest Rate shown on the Annuity Option Agreement. We guarantee this rate for all Annuity Years.

General Provisions

Annual Payment Summary
We will send you a summary showing contract activity at the end of each Annuity Year until this rider terminates.

Termination of this Rider

This rider terminates on the date our last payment obligation is met under the annuity Option you selected.

Glossary

Annuity Anniversary
The day and month of each Annuity Year that correspond to the day and month of the Annuity Date. The first Annuity Anniversary is 12 months after the Annuity Date. If the day of the Annuity Anniversary is not in a month, the last day of that month will be considered the Annuity Anniversary.

Annuity Month
A period of one month. The first Annuity Month begins on the Annuity Date and subsequent Annuity Months begin on the Annuity Monthly Anniversary. All Annuity Months end on the day before the next Annuity Monthly Anniversary.

Annuity Monthly Anniversary
The day of each Annuity Month that corresponds to the day of the month of the Annuity Date. The first Annuity Monthly Anniversary is one month after the Annuity Date. If the day of the Annuity Monthly Anniversary is not in a month, the last day of that month will be considered the Annuity Monthly Anniversary.

Annuity Payment
The amount that is equal to the Payment Amount shown on the Annuity Option Agreement.

Annuity Year
A period of 12 consecutive months. The first Annuity Year begins on the Annuity Date, and subsequent Annuity Years begin on the Annuity Anniversary. All Annuity Years end on the day before the next Annuity Anniversary.

Consumer Price Index for Urban Areas (CPI-U) unadjusted
The CPI-U is an index published by the Bureau of Labor Statistics of the U.S. Department of Labor.

CPI-U Rate
The CPI-U Rate is the percentage change in the CPI-U value that we calculate for an Annuity Year. We calculate the CPI-U Rate for an Annuity Year by taking the CPI-U value for the third month prior to the end of that Annuity Year, subtracting the CPI-U value from the same month of the previous calendar year, then dividing by the CPI-U value in the same month of the previous calendar year. A positive change in the CPI-U Rate will result in an increase to the Annuity Payment amount, but a negative CPI-U Rate will never cause a decrease in the Annuity Payment amount. The CPI-U Rate will be calculated at the end of each applicable Annuity Year and will be shown on the Annual Payment Summary.

In all other respects the provisions, conditions, exceptions and limitations contained in the contract remain unchanged and apply to this rider.

Signed for the Company at its home office.

Allianz Life Insurance Company of North America

[

Cynthia L. Pevehouse
Secretary

Gary Bhojwani
President

]

Index Allocation Rider

This rider provides the opportunity for your Annuity Payment to increase annually based on changes in one or more external Indexes or in a consumer price index, or based on a fixed interest rate. **This is an insurance contract. It is not a security. Although an external Index or Indexes may affect your Annuity Payment, the contract does not directly participate in any stock or other investments. You are not buying any bonds, shares of stock or shares of an Index. The market Index value does not include the dividends paid on the stocks underlying the market Index, and these dividends are not reflected in any interest credited to your Annuity Payment.**

The Company has issued this rider as a part of the contract. If there are any conflicts between this rider and the contract, the provisions of this rider will prevail.

Annuity Payments

The following paragraphs are added to the Annuity Payments section of your contract.

The Initial Annuity Payment amount is shown on the Annuity Schedule. At the end of each Annuity Year, we will calculate your adjusted Annuity Payment amount. The adjusted Annuity Payment amount will reflect any increase based on positive changes in one or more external Indexes or in a consumer price index, or based on the fixed interest rate that you select.

For Annuity Payment Options D, E, F, G, M, and O, upon the death of either Annuitant, we will recalculate the adjusted Annuity Payment by multiplying it by the Survivor Amount/Percentage shown on the Annuity Schedule. The result is the adjusted Annuity Payment amount that will be paid to the surviving Annuitant. The adjusted Annuity Payment will continue to be allocated to your selected allocations. After the death of the surviving Annuitant, any remaining benefits will be paid as described in the base contract or any attached rider.

The following Allocation Options section is added to your contract.

Allocation Options

Description of the Allocations in your contract
You may allocate your Annuity Payment as follows:
(a) among one or more Index Allocations in 1% increments that must total 100%; or
(b) 100% to the CPI-U Rate Allocation; or
(c) 100% to an Index Allocation that includes a CPI-U Rate Guarantee Crediting Method; or
(d) 100% to the Fixed Interest Allocation.

For the Index Allocation, CPI-U Rate Allocation or any of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, Allocated Annuity Payment(s) may increase based on changes in one or more external Indexes or in a consumer price index. While we do not guarantee that an Allocated Annuity Payment will increase, we do guarantee that your adjusted Annuity Payment will not decrease as a result of changes in an external Index or a consumer price index. If publication of an Index or the consumer price index is discontinued, upon receiving any required regulatory approval, we will substitute a comparable Index or consumer price index and send notice to you at your last known address.

For the Fixed Interest Allocation, Allocated Annuity Payment(s) will increase based on a Fixed Interest Rate that you select on the Annuity Date. We guarantee this rate for all Annuity Years.

Option to Change Allocation Percentages
The Allocation Percentages you selected at the time of application are shown on the Annuity Schedule. After the first Annuity Year, unless you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, you have the option to change your Allocation Percentages at the beginning of any Annuity Year by sending us Notice. Your Allocation Percentages must be in increments of 1% and must total 100%. Allocation Percentages in effect for the current Annuity Year will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to change Allocation Percentages received after this 21 calendar day period will go into effect for the subsequent Annuity Year.

If you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, you cannot change these Allocation Percentages.

Allocation Options *continued from the previous page*

Option to Reallocate Values
We do not automatically reallocate your contract values. At the beginning of each Annuity Year, you have the option to reallocate your adjusted Annuity Payment according to your current Allocation Percentages by sending us Notice. The Allocated Annuity Payment amount in each option after the reallocation will be equal to the adjusted Annuity Payment multiplied by the Allocation Percentage for that allocation option. If you choose to reallocate for the current Annuity Year, the reallocation will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to reallocate values received after this 21 calendar day period will go into effect for the subsequent Annuity Year.

If you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, you cannot reallocate your contract values.

Option to Change Crediting Method
The Allocation(s) and Crediting Method(s) you selected at the time of application are shown on the Annuity Schedule. Unless you selected the Fixed Interest Allocation, CPI-U Rate Allocation or one of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method, you have the option to change your Allocation(s) and Crediting Method(s) at the beginning of each Annuity Year by sending us Notice. A change in Allocation(s) and Crediting Method(s), if selected, for the current Annuity Year will be based on the last Notice received within 21 calendar days following the beginning of that Annuity Year. All Notices to change Crediting Method(s) received after the 21 calendar day period will go into effect for the subsequent Annuity Year.

The Fixed Interest Allocation, CPI-U Rate Allocation and any of the Index Allocations that include a CPI-U Rate Guarantee Crediting Method option cannot be changed.

The following Determining your Adjusted Annuity Payment section is added to your contract.

Determining your Adjusted Annuity Payment

On the Annuity Date, we allocate your Annuity Payment among your selected allocation options according to your Allocation Percentages. The Allocated Annuity Payment amount in each option is equal to the Annuity Payment multiplied by the Allocation Percentage for that allocation option.

At the end of each Annuity Year, we will calculate your adjusted Annuity Payment. We will increase the Allocated Annuity Payment amount for an allocation option if the Annual Interest Rate for that option is greater than zero. The Annual Interest Rate will never be less than zero. The adjusted Annuity Payment is equal to the sum of all Allocated Annuity Payment amounts.

The Allocated Annuity Payment amount in each of your selected allocation options at the end of each Annuity Year is equal to (a) multiplied by (b), where:
(a) is the Allocated Annuity Payment amount; and
(b) is one plus the Annual Interest Rate for that allocation option.

Determining your Annual Interest Rate

<u>**For the Index Crediting Methods**</u>
We offer three Index Crediting Methods: Annual Point-to-Point, Monthly Sum, and Monthly Average. The Index Crediting Method for each Index Allocation is used to determine the Annual Interest Rate for that Allocation.

Annual Point-to-Point Crediting Method
The Annual Interest Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Annual Index Return (or Weighted Annual Index Return for a Blended Index Allocation), or its annual Cap, if applicable. The Annual Interest Rate will never be less than zero. If you select any Annual Point-to-Point or CPI-U Rate Guarantee Crediting Method, the Annual Interest Rate will never be less than the CPI-U Rate or zero, whichever is greater.

The Annual Index Return is the percentage change of the Index value for the Annuity Year. It is the Annual Index Change divided by the Initial Annual Index Value. The Annual Index Change is the Index value at the end of the Last Business Day of the Annuity Year minus the Initial Annual Index Value. The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year.

The Weighted Annual Index Return is determined by adding, for all Indexes within a Blended Index Allocation, the results obtained by multiplying each Annual Index Return (calculated as described above) by its Index Weight. The Index Weight for each Index within a Blended Index Allocation is shown on the Annuity Schedule and is guaranteed for all Annuity Years.

Monthly Sum Crediting Method

The Annual Interest Rate for each Index Allocation is the sum of the Monthly Sum Index Rates during the Annuity Year. The Annual Interest Rate will never be less than zero. If you select the Monthly Sum or CPI-U Rate Guarantee Crediting Method, the Annual Interest Rate will never be less than the CPI-U Rate or zero, whichever is greater.

The Monthly Sum Index Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Monthly Sum Index Return, or its monthly Cap. The Monthly Sum Index Rate in any Annuity Month may be less than zero.

The Monthly Sum Index Return is the percentage change of the Index value for the Annuity Month. It is the Monthly Sum Index Change divided by the Initial Monthly Index Value. The Monthly Sum Index Change is the Index value at the end of the Last Business Day of the Annuity Month minus the Initial Monthly Index Value. The Initial Monthly Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Month.

Monthly Average Crediting Method

The Annual Interest Rate for each Index Allocation is its Participation Rate multiplied by its Monthly Average Index Rate, then reduced by its Annual Spread. The Annual Interest Rate will never be less than zero. If you select the Monthly Average or CPI-U Rate Guarantee Crediting Method, the Annual Interest Rate will never be less than the CPI-U Rate or zero, whichever is greater.

The Monthly Average Index Rate is the average of the Monthly Average Index Values for each Annuity Month within an Annuity Year minus the Initial Annual Index Value, then divided by the Initial Annual Index Value.

The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year. The Monthly Average Index Value is the value of the Index at the end of the Last Business Day of the Annuity Month.

Determining your Caps, Participation Rates, and Annual Spreads

We declare Caps on every Annuity Anniversary. For each Index Allocation with the Annual Point-to-Point Crediting Method, we may declare an annual Cap. For each Index Allocation with the Monthly Sum Crediting Method, we declare a monthly Cap. For Index Allocations with the Monthly Average Crediting Method, there is no applicable Cap, but there is an Annual Spread.

Caps are guaranteed for the entire Annuity Year. We can change Caps each Annuity Year, but each Cap will never be less than its guarantee shown on the Annuity Schedule. Caps for the first Annuity Year are shown on the Annuity Schedule. Caps for subsequent Annuity Years will be shown on your Annual Report. The Caps may limit the increase to your adjusted Annuity Payment.

We declare Participation Rates for each Index Allocation on the Annuity Date. The Participation Rates for Index Allocations with a Cap or an Annual Spread are guaranteed for all Annuity Years. We can change the Participation Rates for Index Allocations without a Cap or an Annual Spread each Annuity Year, but each Participation Rate will never be less than its guarantee shown on the Annuity Schedule. Participation Rates are shown on the Annuity Schedule. Participation Rates for subsequent Annuity Years will be shown on the Annual Report. A Participation Rate below 100% may limit the increase to your adjusted Annuity Payment.

We declare Annual Spreads for each Index Allocation with the Monthly Average Crediting Method on every Annuity Anniversary. Annual Spreads are guaranteed for the entire Annuity Year. We can change Annual Spreads each Annuity Year, but each Annual Spread will never be more than its guarantee shown on the Annuity Schedule. Annual Spreads for the first Annuity Year are shown on the Annuity Schedule. Annual Spreads for subsequent Annuity Years will be shown on your Annual Report. An Annual Spread greater than zero may limit the increase to your adjusted Annuity Payment.

Determining your Adjusted Annuity Payment *continued from the previous page*

For the CPI-U Rate Allocation
The Annual Interest Rate for the CPI-U Rate Allocation is the CPI-U Rate or zero, whichever is greater.

For the Fixed Interest Allocation
The Annual Interest Rate for the Fixed Interest Allocation is the Fixed Interest Rate shown on the Annuity Schedule. We guarantee this rate for all Annuity Years.

General Provisions

The following Annual Report provision is added to the General Provisions section of your contract.

Annual Report
We will send you a report showing contract activity at the end of each Annuity Year until the contract terminates.

Termination of this Rider

This rider terminates on the date our last payment obligation is met under the Annuity Payment Option you selected.

Glossary

The following definitions are added to the Glossary section of your contract.

Annuity Anniversary
The day and month of each Annuity Year that correspond to the day and month of the Annuity Date. The first Annuity Anniversary is 12 months after the Annuity Date. If the day of the Annuity Anniversary is not in a month, the last day of that month will be considered the Annuity Anniversary.

Annuity Month
A period of one month. The first Annuity Month begins on the Annuity Date and subsequent Annuity Months begin on the Annuity Monthly Anniversary. All Annuity Months end on the day before the next Annuity Monthly Anniversary.

Annuity Monthly Anniversary
The day of each Annuity Month that corresponds to the day of the month of the Annuity Date. The first Annuity Monthly Anniversary is one month after the Annuity Date. If the day of the Annuity Monthly Anniversary is not in a month, the last day of that month will be considered the Annuity Monthly Anniversary.

Annuity Year
A period of 12 consecutive months. The first Annuity Year begins on the Annuity Date, and subsequent Annuity Years begin on the Annuity Anniversary. All Annuity Years end on the day before the next Annuity Anniversary.

Consumer Price Index for Urban Areas (CPI-U) unadjusted
The CPI-U is an index published by the Bureau of Labor Statistics of the U.S. Department of Labor.

CPI-U Rate
The CPI-U Rate is the percentage change in the CPI-U value that we calculate for an Annuity Year. We calculate the CPI-U Rate for an Annuity Year by taking the CPI-U value for the third month prior to the end of that Annuity Year, subtracting the CPI-U value from the same month of the previous calendar year, then dividing by the CPI-U value in the same month of the previous calendar year. A positive change in the CPI-U Rate will result in an increase to the Annuity Payment amount, but a negative CPI-U Rate will never cause a decrease in the Annuity Payment amount. The CPI-U Rate will be calculated at the end of each applicable Annuity Year and will be shown on the Annual Report.

Last Business Day
The last day the Index was traded or calculated before a specified date.

In all other respects the provisions, conditions, exceptions and limitations contained in the contract remain unchanged and apply to this rider.

Signed for the Company at its home office.

Allianz Life Insurance Company of North America

[

Cynthia L. Pevehouse
Secretary

Gary Bhojwani
President

]

Allianz Life Insurance Company
of North America
[5701 Golden Hills Drive
Minneapolis, MN 55416-1297]

Allianz

[Single premium immediate annuity series]

1. Contract owner information

Select one ☐ Individual ☐ Joint ☐ Trust

Social Security number or Tax ID

Name (first, middle, last or trust name)	Suffix

Date of birth (mm/dd/yyyy)	☐ Male ☐ Female	Are you a U.S. Citizen? ☐ Yes ☐ No (If no, need W8-BEN)

Street address (required)

City	State	ZIP code

Mailing address, if different than street address

City	State	ZIP code

Telephone number – primary	Telephone number - secondary

If a trust is named, provide trustee's first/last or full legal name (*If trust is owner, please complete the Trustee Representation Form)*	Date of trust

Joint owner information, if selected above (must be an individual)

Social Security number or Tax ID

Name (first, middle, last)	Suffix

Date of birth (mm/dd/yyyy)	☐ Male ☐ Female	Are you a U.S. Citizen? ☐ Yes ☐ No (If no, need W8-BEN)

Street address (required)

City	State	ZIP code

Mailing address, if different than street address

City	State	ZIP code

Relationship to owner

Annuitant information, if other than owner or if owner is not individual

Social Security number or Tax ID

Name (first, middle, last)	Suffix

Date of birth (mm/dd/yyyy)	☐ Male ☐ Female	Are you a U.S. Citizen? ☐ Yes ☐ No (If no, need W8-BEN)

Mailing address

City	State	ZIP code

Relationship to owner

2. Beneficiary designation (Owner/joint owner cannot be a beneficiary)

☐ **Primary** ☐ **Contingent**	**Percentage**	Social Security number or Tax/Employer ID

If the primary beneficiary is a trust or corporation, please check the appropriate box
☐ Individual ☐ Trust ☐ Corporation

If beneficiary is a trust, is the trust ☐ Revocable ☐ Irrevocable	Date of trust (required)
Name (first, middle, last or trust/corporate/custodian name)	Suffix

Relationship to owner

☐ **Primary** ☐ **Contingent**	**Percentage**	Social Security number or Tax/Employer ID

If the primary beneficiary is a trust or corporation, please check the appropriate box
☐ Individual ☐ Trust ☐ Corporation

If beneficiary is a trust, is the trust ☐ Revocable ☐ Irrevocable	Date of trust (required)
Name (first, middle, last or trust/corporate/custodian name)	Suffix

Relationship to owner

☐ **Primary** ☐ **Contingent**	**Percentage**	Social Security number or Tax/Employer ID

If the primary beneficiary is a trust or corporation, please check the appropriate box
☐ Individual ☐ Trust ☐ Corporation

If beneficiary is a trust, is the trust ☐ Revocable ☐ Irrevocable	Date of trust (required)
Name (first, middle, last)	Suffix

Relationship to owner

(If more than three beneficiaries, attach a list signed by owner(s) containing all of the above information for each additional beneficiary.)

3. Plan specifics (*This section must be completed to indicate how this contract should be issued.)*

Available for the [Allianz Income Provider, Allianz Income Builder, and Allianz Income Legacy] contracts	Available for the [Allianz Income Provider[,] [and] Allianz Income Builder[, and Allianz Income Legacy]] contracts [only]
☐ Nonqualified ☐ 1035 exchange ☐ Other ________________	☐ Qualified IRAs: [☐ Transfer ☐ Rollover (within 60 days): ☐ IRA ☐ Roth IRA ☐ SEP IRA ☐ Simple IRA ☐ Other ______________________]

If 1035 exchange or tax-qualified transfer, include the Authorization to Transfer Funds Form (S2056).

4. Purchase payment *(This section must be completed; please make check payable to Allianz.)*

Cash submitted with application	Estimated transfer/rollover/1035 amount	Agent-ordered funds (estimated funds)
$	$	$

5. Annuity Products (Please choose one; check optional riders desired) (Products may not be available in all states)

- ☐ **[Allianz Income Provider] Annuity** (complete Sections 6 & 10)
  - ☐ Liquidity Rider [may not be purchased with funds from a qualified plan]
- ☐ **[Allianz Income Builder] Annuity** (complete Sections 6, 9 & 10)
  - ☐ Liquidity Rider [may not be purchased with funds from a qualified plan]
- ☐ **[Allianz Income Legacy] Annuity** (complete Sections 7 & 10)
  - ☐ Liquidity Rider [may not be purchased with funds from a qualified plan]
  - ☐ Index Allocation Rider (complete Section 9)

6. [Allianz Income Provider and Allianz Income Builder] Annuity Option selection (Products may not be available in all states)

Proof of age is required for all Options except Option A.

For proof of age, attach a copy of birth certificate, passport or driver's license for the annuitant(s).

If the Liquidity Rider <u>is not</u> selected (select one)	**If the Liquidity Rider <u>is</u> selected (select one)**
☐ Option A Installments for a Guaranteed Period Select a Guaranteed Period from 5 to 30 years _____	☐ Option C Installments for Life with a Guaranteed Period Select a Guaranteed Period from 10 to 30 years _____
☐ Option B Installments for Life	☐ Option D Joint and Survivor with a Guaranteed Period Select a Guaranteed Period from 10 to 30 years _____
☐ Option C Installments for Life with a Guaranteed Period Select a Guaranteed Period from 5 to 30 years _____	☐ Option L Installments for Life with Return of Premium as Annuity Payments
☐ Option D Joint and Survivor with a Guaranteed Period Select a Guaranteed Period from 5 to 30 years _____	☐ Option M Joint and Survivor with Return of Premium as Annuity Payments
☐ Option E Joint and Survivor Annuity	☐ Option N Installments for Life with Return of Premium as a Single Payment
☐ Option F Joint and 2/3 Survivor Annuity	☐ Option O Joint and Survivor with Return of Premium as a Single Payment
☐ Option G Joint and 50% Survivor Annuity	
☐ Option L Installments for Life with Return of Premium as Annuity Payments	
☐ Option M Joint and Survivor with Return of Premium as Annuity Payments	
☐ Option N Installments for Life with Return of Premium as a Single Payment	
☐ Option O Joint and Survivor with Return of Premium as a Single Payment	

7. [Allianz Income Legacy] Annuity Option selection (Products may not be available in all states)

Proof of age is required for all Options.

For proof of age, attach a copy of birth certificate, passport or driver's license for the annuitant(s).
[The [Allianz Income Legacy] Annuity may not be purchased with funds from a qualified plan.]

☐ Option P Installments for Life with Guaranteed Return of Premium as a Single Payment ☐ [50% Return of Premium] ☐ [25% Return of Premium] ☐ [10% Return of Premium]	☐ Option Q Joint and Survivor with Guaranteed Return of Premium as a Single Payment ☐ [50% Return of Premium] ☐ [25% Return of Premium] ☐ [10% Return of Premium]

8. Joint annuitant information

(Complete for Joint and Survivor annuity options D,E,F,G,M,O,& Q)
For proof of age, attach a copy of the joint annuitant's birth certificate, passport, or driver's license.

Tax ID or Social Security number			
Name (first, middle, last)			Suffix
Mailing address			
City		State	ZIP code
☐ Male ☐ Female	Date of birth (mm/dd/yyyy)	Relationship to owner	Are you a U.S. Citizen? ☐ Yes ☐ No (If no, need W8-BEN)

9. Index Allocation Rider (Option may not be available in all states)

Select up to a maximum of [10] allocations and associated crediting methods from the index choices below. Indicate the index crediting method where applicable and the Allocation Percentage for each allocation. The Allocation Percentages must be in whole numbers only and must total 100%. If [any one of the options that include the CPI-U Rate or] the Fixed Interest option is selected, 100% allocation is required.

[☐ **Nasdaq-100®**]
[______% Annual Point to Point w/cap]
[______% Annual Point to Point]
[______% Monthly Sum]
[______% Monthly Average]

[☐ **Nasdaq-100® (100% allocation is required)**]
[______% Annual Point-to-Point w/cap or CPI-U Rate Guarantee]
[______% Annual Point-to-Point or CPI-U Rate Guarantee]
[______% Monthly Sum or CPI-U Rate Guarantee]
[______% Monthly Average or CPI-U Rate Guarantee]

[☐ **Blended**]
[______% Annual Point to Point w/cap]
[______% Annual Point to Point]

[☐ **Blended (100% allocation is required)**]
[______% Annual Point-to-Point w/cap or CPI-U Rate Guarantee]
[______% Annual Point-to-Point or CPI-U Rate Guarantee]

[☐ **S&P 500®**]
[______% Annual Point to Point w/cap]
[______% Annual Point to Point]
[______% Monthly Sum]
[______% Monthly Average]

[☐ **S&P 500® (100% allocation is required)**]
[______% Annual Point-to-Point w/cap or CPI-U Rate Guarantee]
[______% Annual Point-to-Point or CPI-U Rate Guarantee]
[______% Monthly Sum or CPI-U Rate Guarantee]
[______% Monthly Average or CPI-U Rate Guarantee]

[☐ **CPI-U Rate (100% allocation is required)**]

[☐ **Fixed Interest (100% allocation is required)**]
[☐2% ☐3% ☐4% ☐5% ☐6%]

10. Payment mode (*choose only one*)

☐ Monthly ☐ Quarterly ☐ Semiannually ☐ Annually

The first Annuity Payment must begin within 12 months of the Annuity Date.

11. Payment method (*choose only one*)

☐ Send payment to bank account via Electronic Funds Transfer

Name of bank ______________________________ Bank account type ☐ Checking ☐ Savings

Bank routing number ______________________________

Bank account number ______________________________ Bank phone number ______________________________

Name on bank account ______________________________

☐ Send payments to owner at address on record

☐ Send payments to an address other than the owner's

Name (first, middle, last or trust/company name)		Suffix
Mailing address		
City	State	ZIP code

☐ Payee, if other than owner ______________________________

12. Withholding notice and election *(check the appropriate box)*

All, or part, of the payment you receive in connection with a distribution from the annuity contract, including the values used to cancel any outstanding loan indebtedness at the time of distribution, may be includable in your gross income for tax purposes.

The taxable portion of the distribution is subject to federal (and potentially state) withholding unless you elect not to have withholding apply. You may elect not to have withholding apply to your distribution by marking the appropriate box below. If an election is not made, federal income tax will be withheld from the taxable portion of your distribution at the rate of 10%.

If you elect not to have withholding apply or if you do not have enough federal income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

☐ **Yes, I do** want to have federal income tax withheld from the taxable amount of my disbursement at a rate of ____%
(10% is the minimum allowed).

☐ **No, I do not** want to have federal income tax withheld from the taxable amount of my disbursement.

13. Replacement *(This section must be completed)*

Do you have existing life insurance or annuity contracts? ☐ Yes[1] ☐ No

Will the annuity contract applied for replace or change existing contract or policies? ☐ Yes[1] ☐ No

Amount of coverage inforce $____

[1]**Complete the replacement section that follows and include the appropriate replacement forms for the state of sale (available at [www.allianzlife.com]).**

14. Primary agent information

Name (first, middle, last)			Suffix
Telephone number	% split	Agent number	
Florida license ID number			

Name (first, middle, last)			Suffix
Telephone number	% split	Agent number	
Florida license ID number			

15. Agreements and signatures

The following states require applicants to read and acknowledge the statement for your state below.

[Arizona: You may return your contract within 20 days **or within 30 days if you are age 65 or older on the date of the application**, if you are dissatisfied for any reason. You may return your contract to your agent or our home office. We will void this contract and mail a refund of any premium you paid within 10 days of receipt of your returned contract. On written request, we are required to provide you, within a reasonable time, reasonable factual information regarding the benefits and provisions of this annuity contract.

Arkansas, Colorado, Louisiana, Maine, Ohio, Oklahoma, Tennessee, Virginia, and West Virginia: Any person who knowingly intends to defraud an insurance company, submits an application or files a statement of claim containing any false, incomplete, or misleading information, commits the crime of fraud, and may be subject to criminal prosecution and civil penalties. In ME, CO, and TN, additional penalties may include imprisonment, fines, or denial of insurance benefits. In CO, an insurer or insurance agent who knowingly provides false, incomplete, or misleading information to a policyholder or claimant to defraud or attempt to defraud the contract holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the department of regulatory agencies.

Connecticut: I have received a copy of the disclosure material and understand that the results shown, other than the guaranteed minimum values, are not guarantees, promises, or warranties.

District of Columbia, Kentucky, New Mexico, and Pennsylvania: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or a statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
In DC, penalties may include imprisonment and/or fines, or denial of insurance benefits. In PA and NM, this activity subjects such a person to criminal and civil penalties.

Florida: Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

New Jersey: Any person who includes any false or misleading information on an application for an insurance contract is subject to criminal and civil penalties.]

By signing below, the contract owner acknowledges the statements mentioned above and understands that or agrees to the following:

- All statements and answers given above are true and complete to the best of my knowledge;
- If proof of the annuitant's age is not given at the time of application, the annuitant will furnish the Company such proof before annuity payments begin;
- I understand that I may return my contract within the free look period (shown on the first page of my contract) if I am dissatisfied for any reason;
- I believe this annuity is suitable for my financial goals.

If the contract applied for is a fixed index product, I understand that while the values of this contract may be affected by an external index, the contract does not participate in any stock, bond, or equity investments. I also understand that I am not buying any bonds, shares of stock or shares of an index. Values shown, other than guaranteed minimum values, are not guaranteed promises or warranties.

☐ **Telephone authorization -** By checking "yes," I authorize and direct Allianz to act on telephone or electronic instructions from the agent and/or anyone authorized by him/her. If the box is not checked, this authorization will be permitted for the contract owner only. Allianz will use reasonable procedures to confirm that these instructions are authorized as genuine. As long as these procedures are followed, Allianz and its affiliates and their directors, trustees, officers, employees, representatives, and/or agents will be held harmless for any claim, liability, loss, or cost. The electronic transaction privilege may be modified or withdrawn at the discretion of Allianz.

Make all checks payable to Allianz. Do not make checks payable to an agency, broker, agent, or leave blank.

Contract owner's signature ______________________________
(or trustee[1] or power of attorney[2], if applicable)

Joint owner's signature ______________________________
(or trustee[1] or power of attorney[2], if applicable)

Proposed annuitant's signature (if other than owner) ______________________________

Signed at (city and state)______________________________ Date signed ____________________

[1]If trust owned, submit Trustee Representation form (available at [www.allianzlife.com])
[2]If owner has granted a power of attorney, submit a copy of power of attorney paperwork. The Attorney-in-Fact must sign as follows:
Principal's name (usually the owner) **by** *Attorney-in-Fact's name,* ***Attorney in Fact****.*

To be answered by licensed resident agent: I certify that the statements of the applicant have been correctly recorded.
To the best of my knowledge, the applicant: ☐ DOES ☐ DOES NOT have existing life insurance or annuity contracts;
and the insurance applied for ☐ will not or ☐ will replace existing insurance.
Connecticut: I certify that the disclosure material has been presented to the applicant and a copy was provided to the applicant. I have not made statements which differ from this material nor have I made any promises about the future equity values of this contract.

Agent's signature ______________________________

Income Withdrawal Inflation Rider

This optional rider may be issued only with the Income Withdrawal Rider. This rider may increase the maximum annual Income Withdrawal each year by the CPI-U Rate, as described in the following provisions.

The Company has issued this rider as a part of the base contract. If there are any conflicts between this rider and the base contract, or the Income Withdrawal Rider, the provisions of this rider will prevail.

Income Withdrawal Inflation Increase

The allocated maximum annual Income Withdrawal may increase on each Contract Anniversary if the CPI-U Rate is greater than the Interest Rate for an Index Allocation or the Current Credited Rate for an Interest Allocation.

The increase for the allocated maximum annual Income Withdrawal depends on the occurrence of these events:
(a) the Contract Anniversary following the date the Age of the youngest person upon whose life Income Withdrawal payments are based exceeds the oldest Eligible Age for Income Withdrawals as shown on the Contract Schedule; and
(b) the 10th Contract Anniversary.

Until the later of the above events occurs, the increase amount, if any, for each allocated maximum annual Income Withdrawal is the current allocated maximum annual Income Withdrawal multiplied by the greater of the CPI-U Rate or the Interest Rate (or the Current Credited Rate) for that Allocation.

After the later of the above events occurs, the increase amount, if any, for each allocated maximum annual Income Withdrawal is the current allocated maximum annual Income Withdrawal multiplied by the Interest Rate (or the Current Credited Rate) for that Allocation.

Rider Charge

The Annual Rider Charge for this rider is equal to the Annual Rider Charge percentage shown on the Contract Schedule multiplied by the Income Withdrawal Value and is calculated on each Contract Anniversary. On each Monthly Anniversary Day during that Contract Year, after credits, if any, are applied, we will reduce the Accumulation Value by 1/12th of the Annual Rider Charge. We will not reduce the Income Withdrawal Value by this rider charge. We will reduce the Income Withdrawal Value by the amount of the applicable charge for any other riders unless such rider provides otherwise. The Annual Rider Charge may be different each Contract Year due to any interest credits, Additional Premium and any applicable Premium Bonus, Income Withdrawal payments, or additional Partial Surrenders that affect the Income Withdrawal Value. There is no charge for this rider if the Accumulation Value is zero, or if the rider terminates as set forth below.

Termination of this Rider

This rider terminates on the earliest of:
(a) the date the base contract terminates;
(b) the Monthly Anniversary Day following the date we receive Notice to terminate this rider;
(c) the date of death of the person upon whose life Income Withdrawal payments are based or, if joint life withdrawal option was selected, the date of death of the second Joint Owner to die;
(d) the Annuity Date;
(e) the Contract Anniversary after the youngest person whom payments could be based on reaches the maximum Eligible Age shown on the Contract Schedule and Income Withdrawal payments have not yet begun; or
(f) the date the Income Withdrawal Rider terminates.

Reinstatement of this Rider

Once this rider terminates, it may not be reinstated.

Glossary

Consumer Price Index for Urban Areas (CPI-U) unadjusted
The CPI-U is an index published by the Bureau of Labor Statistics of the U.S. Department of Labor. If publication of the CPI-U is discontinued, upon receiving any required regulatory approval, we will substitute a comparable index and send notice to you and to any assignee of record at your last known addresses.

CPI-U Rate
The CPI-U Rate is the percentage change in the CPI-U value for a Contract Year. It is calculated by taking the closing CPI-U value for the third month prior to the end of that Contract Year, subtracting the closing CPI-U value from the same month of the previous calendar year, then dividing by the closing CPI-U value in the same month of the previous calendar year. A positive change in the CPI-U Rate may result in an increase to the maximum annual Income Withdrawal, but a negative CPI-U Rate will never cause a decrease in the maximum annual Income Withdrawal. The CPI-U Rate will be calculated at the beginning of each applicable Contract Year and will be shown on the Annual Report.

In all other respects the provisions, conditions, exceptions and limitations contained in the base contract and the Income Withdrawal Rider remain unchanged and apply to this rider.

Signed for the Company at its home office.

Allianz Life Insurance Company
of North America

[ ]

Cynthia L. Pevehouse
Secretary

Gary Bhojwani
President

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Review Status:
Satisfied -Name: Certification/Notice 04/24/2008
Comments:
Attachment:
AR Certificate of Compliance Reg 19 and 11-83.pdf

Review Status:
Satisfied -Name: Application 04/24/2008
Comments:
Riders R91018, R91019 and R91007-03 - will be used with application ANN-01, approved on 8/27/07, SERFF #ALLC-125264320

Review Status:
Satisfied -Name: Life & Annuity - Acturial Memo 04/24/2008
Comments:
Attachments:
Act Memo _R91018 and R91019_ 4.17.08.pdf
Act Memo Index Allocation Rider R95254-CPI-01 4.17.08.pdf

Review Status:
Satisfied -Name: Cover Letter 04/24/2008
Comments:
Attachment:
AR Cover Letter.pdf

Review Status:
Satisfied -Name: Actuarial Certification 04/24/2008
Comments:
Attachment:
AR Act Cert 4.16.2008.pdf

Review Status:

Satisfied -Name: Certificate of Readability 04/24/2008

Comments:

Attachment:

Certificate of Readability.pdf

Review Status:

Satisfied -Name: Statement of Variability 04/24/2008

Comments:

Attachment:

IMMED-01 SOV 4.14.08.pdf

CERTIFICATE OF COMPLIANCE

Allianz Life Insurance Company of North America hereby certifies that the policy forms listed below are in compliance with all of the requirements of Arkansas Rule and Regulation 19§10B as well as all applicable requirements of the Arkansas Insurance Department.

Allianz Life Insurance Company of North America also certifies that the guidelines of Arkansas Bulletin 11-83 have been reviewed relative to the forms listed below. The forms comply with all provisions of the Bulletin.

Allianz Life Insurance Company of North America

Rose E. Tibke

Rose Tibke
AVP – Director of Product Filing

Contract Form Numbers:
R91018
R91019
R95254-CPI-01
IMMED-01
R91007-03

Allianz Life Insurance Company of North America
Actuarial Memorandum
Rider Forms R91018 and R91019
Interest Allocation Payout Rider
April 17, 2008

TABLE OF CONTENTS

Description of Plan

R91018 and R91019 are riders that provide indexed or interest benefits to the annuity payments upon a annuitization beginning on the Annuity Date. These riders will be attached to select deferred annuity products. Rider R91018 does not include the Consumer Price Index – Urban (CPI-U) allocation options. Rider R91019 does include the CPI-U allocation options.

Annuitization Benefits

If R91018 or R91019 are attached to a contract, the annuity payment will be referred to as the Adjusted Annuity Payment. The following section describes the indexed or interest benefits provided by this rider:

Adjusted Annuity Payment

On the Annuity Date, we allocate the Adjusted Annuity Payment among the selected allocation options according to the Allocation Percentages. The Allocated Annuity Payment amount in each option is equal to the Adjusted Annuity Payment multiplied by the Allocation Percentage for that allocation option. At the end of each Annuity Year, we will increase the Allocated Annuity Payment amount for an allocation option if the Annual Interest Rate for that option is greater than zero. The Annual Interest Rate will never be less than zero. The Allocated Annuity Payment amount in each of the selected allocation options at the end of each Annuity Year is equal to (a) multiplied by (b), where:

(a) is the Allocated Annuity Payment amount on the previous Annuity Anniversary; and
(b) is one plus the Annual Interest Rate for that allocation option.

At the end of each Annuity Year, the Adjusted Annuity Payment is equal to the sum of all Allocated Annuity Payments. The contract owner has the option to change Allocation Percentages, to change crediting methods, or to reallocate values each Annuity Year. These options are not available if the contract holder selected the CPI-U Rate Allocation, an allocation with a CPI-U Rate Guarantee, or the Fixed Interest Allocation.

Crediting Methods

For the **Index Allocations with the Annual Point-to-Point Crediting Method**, we are filing two methods:

The first is the Annual Point-to-Point with 100% Participation and an Annual Cap. The Annual Interest Rate is the lesser of its annual Cap or its Participation Rate multiplied by its Annual Index Return (or Weighted Annual Index Return for the Blended Index). The Annual Interest Rate will never be less than zero.

The second is the Annual Point-to-Point with a Participation rate that is less than 100% with no Annual Cap. *This method will not be available initially. We will make it available upon increased buyer demand.* The Annual Interest Rate is the Participation Rate multiplied by its Annual Index Return (or Weighted Annual Index Return for the Blended Index). The Annual Interest Rate will never be less than zero.

The Annual Index Return is the Annual Index Change divided by the Initial Annual Index Value. The Annual Index Change is the Index value at the end of the Last Business Day of the current year minus the Initial Annual Index Value. The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year.

The Weighted Annual Index Return is determined by adding, for all Indexes within a Blended Index Allocation, the results obtained by multiplying each Annual Index Return (calculated as described above) by its Index Weight. The Index Weight for each Index within a Blended Index Allocation is shown on the Annuity Schedule and is guaranteed for all Annuity Years.

For **Index Allocations with the Monthly Sum Crediting Method**, the Annual Interest Rate for each Index Allocation is the sum of the Monthly Sum Index Rates during the Annuity Year. The Annual Interest Rate will never be less than zero.

The Monthly Sum Index Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Monthly Sum Index Return, or its monthly Cap. The Monthly Sum Index Rate in any Annuity Month may be less than zero.

The Monthly Sum Index Return is the percentage change of the Index value for the Annuity Month. The percentage change is the Monthly Sum Index Change divided by the Initial Monthly Index Value. The Monthly Sum Index Change is the Index value at the end of the Last Business Day of the Annuity Month minus the Initial Monthly Index Value. The Initial Monthly Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Month.

For **Index Allocations with the Monthly Average Crediting Method**, the Annual Interest Rate for each Index Allocation is its Participation Rate multiplied by its Monthly Average Index Rate, then reduced by its Annual Spread. The Annual Interest Rate will never be less than zero.

The Monthly Average Index Rate is the average of the Monthly Average Index Values for each Annuity Month within an Annuity Year minus the Initial Annual Index Value, then divided by the Initial Annual Index Value.

The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year. The Monthly Average Index Value is the value of the Index at the end of the Last Business Day of the Annuity Month.

For the **CPI-U Rate**, the Annual Interest Rate is the CPI-U Rate. The CPI-U Rate is the percentage change in the CPI-U value for an Annuity Year. The CPI-U Rate is calculated by taking the closing value for the second month prior to the end of that Annuity Year, subtracting the closing CPI-U value from the same month of the previous calendar year, then dividing by the closing CPI-U value in the same month of the previous calendar year. The Annual Interest Rate will never be less than zero.

The CPI is the Consumer Price Index for Urban Areas (unadjusted). It is an index published by the Bureau of Labor Statistics of the U.S. Department of Labor. If publication is discontinued or changed substantially, upon receiving approval from the state, we will substitute a replacement index.

For the **Annual Point-to-Point w/cap or CPI-U Rate Guarantee, Monthly Sum or CPI-U Rate Guarantee, and Monthly Average or CPI-U Rate Guarantee**, the Annual Interest Rate is the greater of the CPI-U rate or the Annual Interest Rate for the selected Index Allocation.

For the **Fixed Interest Allocation**, the Annual Interest Rate is the Fixed Annual Growth Rate selected at issue. The Fixed Annual Growth Rate can be 2-6% and must be a whole number. The Fixed Annual Growth Rate cannot be changed after issue.

The **Cap** is a rate we declare on every Annuity Anniversary and guaranteed for the Annuity Year for certain index allocations. Each Cap will never be less than its guarantee shown on the Annuity Schedule. For the applicable Annual Point-to-Point allocations, we declare an annual Cap. For Monthly Sum allocations, we declare a monthly Cap. For allocations with Annual Point to Point with less than 100% Participation Rate, Monthly Average, and CPI-U Rate options, there is no applicable Cap.

The **Participation Rate** is a rate we declare for each Index Allocation on the Annuity Date. The Participation Rates for Index Allocations with a Cap or a Spread are guaranteed for all Annuity Years. The Participation Rates for Index Allocations without a Cap or a Spread are declared on every Annuity Anniversary.

The **Annual Spread** is a rate we declare for each Index Allocation with the Monthly Average Crediting Method on every Annuity Anniversary and guarantee for the Annuity Year. Annual Spreads can change each Annuity Year, but each Annual Spread will never be more than its guarantee shown on the Annuity Schedule.

Participation Rates, initial Caps and initial Annual Spreads are shown on the Annuity Schedule. Caps, Participation Rate, and Annual Spreads for subsequent Annuity Years are shown on the Annual Report.

Annual Caps are guaranteed to never be less than 3%, Monthly Caps are guaranteed to never be less than 1.25%, and Monthly Spreads are guaranteed never to be more than 10%. The company considers buyer demand, investment opportunities and option costs when setting Caps, Participation Rates and Annual Spreads.

Initially, only the S&P 500 Index allocations and the fixed allocations will be available. We will make the Nasdaq 100 allocation options, the Blended Index allocation options, the CPI-U Rate allocation option, and the allocation options with the CPI-U Rate Guarantee available upon increased buyer demand. Here are the initial expected rates:

Index Allocation Caps and Spreads

Index Name	Annual Point-to-Point – 100% Participation, Annual Cap	Monthly Sum – Monthly Cap	Monthly Average – Annual Spread
S&P 500	6.00%	2.5%	3.00%

Index Allocation or CPI-U Rate Guarantee Caps and Spreads

Index Name	Annual Point-to-Point – 100% Participation, Annual Cap	Monthly Sum – Monthly Cap	Monthly Average – Annual Spread
S&P 500	5.50%	2.00%	3.50%

Index Allocations

The S&P 500 Composite Stock Price Index, the Nasdaq-100 Index, and a Blended Index will be used to determine Interest Adjustments. The S&P 500 Index is a market value weighted index of 500 leading companies from leading industries. It is compiled daily by Standard & Poor's, a division of McGraw-Hill Companies. The Nasdaq-100 Index is a capitalization weighted index composed of 100 of the largest securities listed on the Nasdaq Stock Market. The Blended Index is made up of four indexes: Dow Jones Industrials, Lehman Aggregate Bond, EURO STOXX 50, and Russell 2000. The weight of each of these within the Blended Index is shown on the Annuity Schedule, and will not change for the life of the contract.

If publication of one of these Indexes is discontinued or changed substantially, upon receiving approval from the state, we will substitute a suitable replacement index. We will attempt to choose a replacement which also represents a wide selection of the largest securities listed on the major stock exchanges.

See **Attachment 1** for examples of the Adjusted Annuity Payment calculation using various crediting methods.

Non-Discrimination

No assumptions or provisions contained in Form R91018 and R91019 unfairly discriminates in availability, rates, benefits, or any other way, with regard to gender or marital status or for individuals of the same class, equal expectation of life, and degree of risk or hazard.

Rider Charge

Although there is no explicit charge for this rider, selecting this rider will reduce the Initial Annuity Payment.

Reserves

This rider will be valued together with the base contract it becomes attached to using the section of the Standard Valuation Law which applies to annuities in conjunction with NAIC Actuarial Guidelines 33 and 35, as applicable. The Company will reserve using CARVM with Updated Market Values, the Annuity 2000 Mortality Table and the Plan Type A valuation rates. For 2008, the applicable interest rate is projected to be 5.50%.

Attachment 2 contains a reserve calculation demonstration.

Investments
The Company will purchase fixed income securities to back the fixed guarantees and inflation linked securities to back inflation guarantees, if selected, in the contract. To hedge the equity index liability created by the Annuitization Value, the Company will buy and sell call and put options and futures contracts on the S&P 500, the Nasdaq-100, and individual components of the Blended Index which match the index benefits provided by the product and selected by the contract owners. The percentage of the annuitization value used to purchase derivative instruments will range from zero to five percent on an annualized basis.

All option contracts associated with this contract form are reviewed quarterly to ensure the Company is matched to the future expected contract holder obligations. If the Company is overhedged, options already purchased can be allocated to new or existing blocks of business. The Company can also liquidate an option position when deemed appropriate. If the Company is underhedged, additional options may be purchased. To test the adequacy of assets used to hedge the equity index liability, the Company will use stochastic derivative valuation to determine the market exposure. The calculation of this exposure will be done at least weekly.

Cash flow testing is performed each year for the equity-indexed annuity business. Actual assets including those in the hedging program are modeled with the insurance liabilities under both deterministic and stochastic interest rate and equity market scenarios. These tests are designed to confirm that the assets supporting the equity-indexed annuity liabilities are sufficient.

Mike Scriver, Vice President, Financial Engineering, and John Esch, Vice President and Corporate Actuary, have responsibility for monitoring and managing the departments that are directly involved in the derivatives management and various asset/liability risks for this contract. Mr. Scriver has over 15 years of insurance and derivatives experience. Mr. Esch has over 20 years of insurance experience, including over 10 years of asset/liability management and 10 years of experience with derivatives.

The risks of hedging include:

1. **Liquidity Risk –** The Company has the ability to close out a position in our derivative positions at any time at the fair market value of the derivative. This transaction would occur either through internal trades between product or business lines, or through the agent for the Company and the counterparty. The primary reason the Company would need to enter into this type of transaction would be if the Company determines its holdings exceed the potential future contract holder benefit associated to the performance of the appropriate Index.

2. **Counterparty Risk –** The Company has minimized the risk of counterparty default by entering into contractual agreements with counterparties with S&P ratings of A- or better. In addition, the Company has entered into support agreements with these counterparties requiring them to post collateral if the value of the hedge instruments exceeds a predetermined threshold. The threshold is dependent upon the credit rating of the counterparty (i.e. the lower the credit rating of the counterparty, the lower the threshold).

3. **Market Risk –** The Company buys and sells options, futures and other derivatives based on the S&P 500, the Nasdaq-100, and the individual components of the Blended Index. These derivatives are used solely to hedge against the potential contract holder benefit associated with this annuity. These derivatives are not used for speculative purposes. The Company's exposure to market risk is limited to the extent the Company is not properly hedged. The Company monitors this risk on a quarterly basis.

4. **Pricing Risk –** The Company's exposure to this risk is minimized by periodically reviewing and monitoring the Participation Rate, the Cap, the Annual Spread, and current interest rates in conjunction with the investment opportunities in the bond and options markets. Depending on the allocation, the Cap, the Participation Rate, or the Annual Spread can be changed on the annuity anniversary, when necessary, to adapt to the investment environment in which the options will be purchased.

5. **Legal Risk –** The Company has internal policies, which require the completion of the ISDA Master Agreement between the Company and the counterparty. A Preliminary Letter Agreement (confirmation document) is required to be signed by both parties to the option purchase and sale agreements, which details the terms of the contracts.

6. **Operational Risk –** The Company manages the impact of process errors by having backup systems and persons for all key functions. A comprehensive analysis is performed on a quarterly basis to determine the Company's hedge position regarding the options held versus the potential future contract holder benefit associated to the performance of the individual components of the Blended Index.

7. **Mortality Risk –** A possible circumstance that would result in our Company being imperfectly hedged would include incorrect mortality assumptions. An incorrect mortality assumption may result in us purchasing too many or too few options, depending on the direction in which we are incorrect. Based upon Company experience, we can reasonably estimate mortality. In addition, since we trade derivatives on a daily basis, we can rebalance our hedge daily to account for updated mortality assumptions.

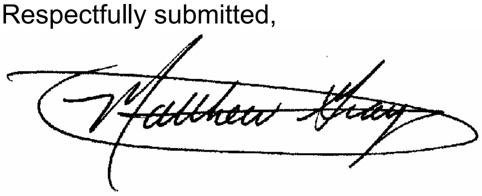
8. **Timing Risk –** Because we rebalance our hedge positions at least daily, the timing risk arising from the time lag between when contracts are issued and when a hedge is purchased is minimal.

9. **Currency Risk** – Because we are investing in options denominated in other currencies to hedge allocations to the Blended Index, there is a risk that the foreign currency will drop in value and we will have an insufficient dollar denominated return to fund the contract holder benefit. The company benefits when the foreign currency increases against the dollar.

The due diligence we conduct with respect to our counterparties is outlined in **Attachment 3**.

SEC Registration
Forms C51288-01, P50640, C50864, and P50545 the base contracts to which this rider is optional, are deferred fixed indexed annuities. The assets for these forms are held in the general account. The company has not filed these forms with the SEC and is not required to do so.

Respectfully submitted,



Matthew Gray, FSA, MAAA
AVP, Senior Actuary

Allianz Life Insurance Company of North America

Attachment 1
Demonstration of the Adjusted Annuity Payment Calculation

Annual Point-to-Point Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the S&P 500 Index Allocation.

Example 1: Annual Point-to-Point crediting with capped positive annual index return.
Assume 8.0% Annual Cap and 100% Participation.

Initial Allocated Annuity Payment	$703.16
Initial Index Value	1000
End of Year Index Value	1124
Annual Index Return	12.4%
Capped Annual Index Return	8.0%
Annual Interest Rate	8.0%

At the end of Year 1, since the Annual Cap is less than the Annual Index Return, the Annual Interest Rate is equal to the Annual Cap. The Allocated Annuity Payment is calculated as $703.16 * (1.08) = $759.41

Example 2: Annual Point-to-Point crediting with negative annual index return.
Assume 8.0% Annual Cap and 100% Participation

Initial Allocated Annuity Payment	$703.16
Annual Index Return	-6.22%
Capped Annual Index Return	-6.22%
Annual Interest Rate	0.00%

At the end of Year 1, since the Annual Index Rate is negative, the Annual Interest Rate is floored at 0%. The Allocated Annuity Payment is calculated as $703.16 * (1.000) = $703.16.

Example 3: Annual Point-to-Point crediting with positive annual index return.
Assume no Annual Cap and 50% Participation.

Initial Allocated Annuity Payment	$703.16
Annual Index Return	12.40%
Annual Index Return * Participation Rate	6.20%
Annual Interest Rate	6.20%

At the end of Year 1, since the Annual Interest Rate is equal to the Annual Index Return multiplied by the Participation Rate, the Allocated Annuity Payment is calculated as $703.16 * (1.062) = $746.76

Example 4: Annual Point-to-Point crediting with negative annual index return.
Assume no Annual Cap and 50% Participation

Initial Allocated Annuity Payment	$703.16
Annual Index Return	-6.22%
Annual Index Return * Participation Rate	-3.11%
Annual Interest Rate	0.00%

At the end of Year 1, since the Annual Index Rate is negative, the Annual Interest Rate is floored at 0%. The Allocated Annuity Payment is calculated as $703.16 * (1.000) = $703.16.

Attachment 1 continued

Annual Point-to-Point Crediting Method for the Blended Index Allocation
Assume the Initial Allocated Annuity Payment of $703.16, paid monthly. Assume 100% allocation to the Blended Index Allocation which is a weighted index of Dow Jones Industrials, Lehman Aggregate Bond, EURO STOXX 50, and Russell 2000. The weights are 35%, 35%, 20% and 10%, respectively. Assume the Cap for the Blended Index is 9.0%.

Example 1:

	Dow Jones	Lehman	FTSE	Russell
Weight	35%	35%	20%	10%
Annual Index Return	-4.34%	9.97%	-0.03%	1.00%

Blended Index Return = 35%*Dow Return + 35%*Lehman Return + 20%*FTSE Return + 10%*Russell Return
= (35% * -4.34%) + (35% * 9.97%) + (20% * -0.03%) + (10% *1.00%) = 2.06%
Index Return after Cap = Minimum (2.06%, 9.0%) = 2.06%
Annual Interest Rate = Maximum[1] (0, 2.06%) = 2.06%

At the end of Year 1, the Allocated Annuity Payment is calculated as $703.16 * (1.026) = $721.44

Example 2:

	Dow Jones	Lehman	FTSE	Russell
Weight	35%	35%	20%	10%
Annual Index Return	20.32%	14.76%	-0.91%	11.73%

Weighted Index Return = 13.27%
Capped Return = 9.00%
Interest Rate = 9.00%

Blended Index Return = 35%*Dow Return + 35%*Lehman Return + 20%*FTSE Return + 10%*Russell Return
= (35% * 20.32%) + (35% * 14.76%) + (20% * -0.91%) + (10% *11.73%) = 13.27%
Index Return after Cap = Minimum (13.27%, 9.00%) = 9.00%
Annual Interest Rate = Maximum[2] (0, 9.00%) = 9.00%

At the end of Year 1, the Allocated Annuity Payment is calculated as $703.16 * (1.09) = $766.44

[1] If the Blended Index Return had been negative, the Annual Interest Rate would equal zero.

[2] If the Blended Index Return had been negative, the Annual Interest Rate would equal zero.

Attachment 1 continued

Monthly Sum Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the S&P 500 Index Allocation.

At the end of the Annuity Year, the Initial Adjusted Annuity Payment is adjusted by applying the Annual Interest Rate. The Annual Interest Rate is the sum of the capped Monthly Interest Rates. The adjusted Annuity Payment is calculated as the Initial Annuity Payment multiplied by one plus the Annual Interest Rate.

Example 1:

Month	1	2	3	4	5	6	7	8	9	10	11	12
Index Change	6%	-5%	2%	-1%	8%	2%	4%	1%	0%	-5%	5%	2%
Monthly Cap	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Capped Monthly Interest Rate	3%	-5%	2%	-1%	3%	2%	3%	1%	0%	-5%	3%	2%

Sum of capped Monthly Interest Rates = 3 + (-5) + 2 + (-1) + 3 + 2 + 3 + 1 + 0 + (-5) + 3 + 2
Annual Interest Rate: = 8%
Initial Annuity Payment: $703.16
Adjusted Annuity Payment: = $706.13 * (1.08) = $762.62

Example 2:

Month	1	2	3	4	5	6	7	8	9	10	11	12
Index Change	2%	-5%	2%	-1%	-3%	8%	1%	-2%	0%	-2%	-3%	-1%
Monthly Cap	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Capped Monthly Interest Rate	2%	-5%	2%	-1%	-3%	3%	1%	-2%	0%	-2%	-3%	-1%

Sum of capped Monthly Interest Rates = 2 + (-5) + 2 + (-1) + (-3) + 3 + 1 + (-2) + 0 + (-2) + (-3) + (-1) = - 9%
Annual Interest Rate (floor of 0%) = 0%
Initial Annuity Payment: $703.16
Adjusted Annuity Payment: = $703.16 * (1.00) = $703.16

Attachment 1 continued

Monthly Average Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the S&P 500 Index Allocation for Example 1 and 100% allocation to the Blended Index for Example 2.

At the end of the Annuity Year, the Initial Annuity Payment is adjusted by applying the Annual Interest Rate. The Annual Interest Rate is calculated as a) less b) divided by c) where a) is the sum of the ending Monthly Index Values divided by 12, b) is the Initial Annual Index Value, and c) is the Initial Annual Index Value.

Example 1:
Assume the Participation Rate is 100% and the Annual Spread is 2.5%.

Month	1	2	3	4	5	6	7	8	9	10	11	12
Initial Annual Index Value	1,000											
Ending Monthly Index Value	1,050	998	1,017	1,007	1,048	1,069	1,111	1,122	1,122	1,100	1,155	1,178

Sum of Ending Monthly Index Values = 1,050 + 998 + 1,017 + 1,007 + 1,048 + 1,069 + 1,111 + 1,122 + 1,122 + 1,100 + 1,155 + 1,178
= 12,977
Monthly Average Index Rate = [(12,977 / 12) – 1,000] / 1,000
= 81.42 / 1,000
= 8.14%
Annual Interest Rate = Maximum (0%, 8.14% - 2.5%)
= Maximum[3] (0%, 5.64%)
= 5.64%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0564) = $742.82

Monthly Average Crediting Method for the Blended Index
Assume the Participation Rate is 100% and the Annual Spread is 1.5%.

	Dow Jones	**Lehman**	**FTSE**	**Russell**
Weight	35%	35%	20%	10%
Initial Index Value	$2,633.66	$59.00	$2,422.00	$170.00
Average Monthly Index Value	$2,758.59	$64.27	$2,398.56	$189.96
Annual Index Return	4.74%	8.93%	-0.97%	11.74%

Weighted Index Return = 35%* 4.74% + 35%* 8.93% + 20%* -0.97% + 35%* 11.74% = 5.76%
Annual Spread = 0.50%
Interest Rate = Maximum (0%, 5.76% - 1.50%)
= 4.26%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0426) = $733.11

[3] If the Monthly Average Index Rate minus the Annual Spread had been negative, the Annual Interest Rate would equal zero.

Attachment 1 continued

CPI-U Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the CPI-U.

Initial Allocated Annuity Payment	$703.16
Initial Consumer Price Index Value	1000
End of Year Index Value	1030
Annual Interest Return	3.00%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0300) = $724.25

Interest Allocation Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the Interest Allocation with a 6% Fixed Annual Growth Rate.

Initial Allocated Annuity Payment	$703.16
Annual Interest Return	6.00%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0600) = $745.35

Annual Point-to-Point Crediting Method or CPI-U Rate Guarantee
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the Annual Point-to-Point or CPI-U Rate Guarantee. Assume there is 100% Participation with a 8.0% monthly cap for the Annual Point-to-Point Crediting Method.

Annual Point-to-Point

Annual Index Return	12.40%
Capped Annual Index Return	8.00%
Annual Interest Rate	8.00%

CPI-U

Annual Interest Return	3.00%

The greater of the CPI-U and Annual Point-to-Point Crediting Methods is the Annual Point-to-Point Crediting.

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.08) = $759.41

Note: the monthly payment is the same for all crediting methods for illustration purposes only. The payment may vary by crediting method.

Attachment 2
Reserve Demonstration

The following describes the calculation of reserves for forms R91018 and R91019 on the Annuity Date. Because future annuity benefits are dependent on future index values, CARVM 35 applies. The reserve method follows CARVM with UMV, applied to a future stream of life contingent payments. There are three basic steps applied in CARVM with UMV.

Step 1: For each duration and each benefit at which an index-based benefit is available, determine the market value of the appropriate call option. The appropriate call option is one that exactly hedges the floor of the benefit at that point in time. This means that the payoff of the call option should exactly equal the difference between the specific benefit available at that point in time (reflecting all relevant contract features) and the guaranteed floor of that benefit. The market value should be determined using an appropriate option pricing technique, such as Black-Scholes or a stochastic scenario method.

Step 2: The market value of all of the call options are projected forward at the appropriate valuation interest rate to the point in time at which the call option would expire. The valuation interest rate should be consistent with the requirements of any applicable Actuarial Guidelines or regulations, such as Actuarial Guideline 33 or Actuarial Guideline 9-B.

Step 3: The future guaranteed benefits for each benefit at each time point are determined by adding the guaranteed floors of the benefit to the amounts determined in Step 2.

After steps 1 through 3 are determined, a CARVM calculation is applied in accordance with guideline 33.

The annuity benefits under forms R91018 and R91019 are adjusted on an annual basis based on the crediting method selected. A participation rate and depending on the allocation option selected, an annual cap or annual spread determines if the benefit increases or remains the same as the previous year. The following demonstration assumes an annual point to point crediting method, 100% participation, a current annual cap of 8.0%, a guaranteed minimum cap of 3.0%, and a life only payout option with an initial annuity payment of 1000 per year (paid at the beginning of the year).

Annuity Year	1	2	3	4	…	ϖ
Guaranteed Annuity Benefit	1000	1000	1000	1000		1000
Call Option for Excess Annuity Benefits		C1AB	C2AB	C3AB		Cϖ-1AB
Survival	1	1px	2px	3px		ϖ−1px
Guaranteed Annual Cap	8.00%	3.00%	3.00%	3.00%		3.00%

Following steps 1 through 3 above, we arrive at a reserve calculation equal to the following:

Initial reserve = (1000*1) + (1000*v*1px + C1AB * (1 + i) * v * 1px) + … + (1000*v^ϖ-1*ϖ-1px + Cϖ-1 AB * (1 + i) ^ ϖ-1 * v ^ ϖ-1 * ϖ-1px)

This is equivalent to the guaranteed benefits bifurcated from the call options to pay excess benefits and equals the following:

Guaranteed benefit valuation

(1000*1) + (1000*v*1px) + … + (1000*v^ϖ-1*ϖ-1px)

plus

Excess Option Valuation

(C1AB * (1 + i) * v * 1px) + … + (C(ϖ-1) AB * (1 + i) ^ (ϖ-1) * v ^ (ϖ-1) *(ϖ-1_px)

since v =1/ (1+i) the Option Valuation reduces to (C1AB*1px) + … + (Cϖ-1 AB * (ϖ-1)px)

The market value of the call options are valued using stochastic methods with inputs based on risk neutral pricing (Black-Scholes).

Attachment 2 continued
Reserve Demonstration

The demonstration below assumes the following:

Gender:	Male
Age:	65
Annuitization Value:	$21,886
Mortality:	Annuity 2000 Mortality Table
Interest Rate:	0.5%
Initial Annual Payment:	$1,000 (paid at the beginning of the year)
Valuation Rate:	5.50%
Payment Option C:	Installments for Life with 10 year period certain

The guaranteed benefit valuation is based on CARVM 33 principles, using Annuity 2000 mortality and a valuation rate of 5.50%. The valuation is accomplished by assuming the guaranteed floor payment of $1000 annually for the lifetime projection. This implies a Guaranteed Benefit Valuation equal to the following:

Guaranteed Benefit Valuation: $12,666

The Excess Option Valuation assumes 10,000 stochastic runs each with 600 stochastic monthly returns for the lifetime projection using a log-normal process with a mean index return equal to 3% per annum and a per annum volatility equal to 16%. Because the annual cap is guaranteed at 3% after the first Annuity Year, the index crediting assumes an 8% annual cap in the first year, followed by a 3% annual cap in years 2 and higher. This implies an Excess Option Valuation equal to the following:

Excess Option Valuation: $2,327

The calculated reserve is the sum of the Guaranteed Benefit Valuation and the Excess Option Valuation.

Calculated Reserve: $14,993

Attachment 3
Due Diligence with Respect to Investment Counterparties

The following is a list of our counterparties:

Counterparty	S&P Rating as of 9/30/2007
Bank of America Corp	AA
Bank of New York Co. Inc.	A+
Barclays	AA
Bear Stearns	A+
BNP Paribas	AA+
Calyon	AA-
Citigroup	AA
Credit Suisse	AA-
Dresdner	A+
JPMorgan Chase Bank	AA
Lehman Brothers	A+
Merrill Lynch International	AA-
Société Générale	AA
UBS	AA+
Wachovia Bank	AA-

Before beginning to use a particular counterparty, the Investment Committee shall approve all counterparties added to the Company's counterparty pool. The Company requires all counterparties to maintain an "A-" rating by a National Recognized Statistical Rating Organization (NRSRO). All counterparties are required to have at least a long-term debt rating by a NRSRO in one of its three highest rating categories, which equates to an "A-" or better rating by Standard & Poor's Corporation and Moody's Investors Service, Inc.

The Company has the ability to incorporate a layer of protection by requiring the execution of a vehicle called an ISDA Credit Support Annex. This legal document allows the Company the ability to require the counterparty to: 1) post collateral above a certain threshold established by the Investment Committee, with a custodian bank held in trust, 2) mark-to-market the acceptable type of collateral and when to fund the trust, and 3) establish the acceptable increments to fund the trust.

Before a trading relationship is established, the Counterparty must demonstrate to the Company's Head of Financial Engineering an understanding of the liability and corresponding derivative. They must also demonstrate a desire to issue the appropriate derivative.

Going forward, the Company's Investment personnel will review all counterparty ratings on a semi-monthly basis. In the event that a counterparty's rating is downgraded below "A-" by a NRSRO, the Company will suspend trading with the counterparty. According to the ISDA Credit Support Annexes that have been developed, the entire market value exposure of these derivative transactions shall be posted to a trust agreement. The Company's Head of Financial Engineering will determine whether any corrective actions should be taken for counterparties that fall below an "A-" rating.

On a monthly basis, the Company has a process that verifies derivative assets. A report will capture the number of contracts, market values, counterparty, and unrealized gain/loss positions.

Quarterly, the Investment Management area will report all new derivative transactions entered into, contracts closed, derivative exposure by type, counterparty exposure (both gross and net of collateral posted), and counterparty's rating to the Investment Committee.

Allianz Life Insurance Company of North America
Actuarial Memorandum
Rider Form R95254-CPI-01
Index Allocation Rider
April 17, 2008

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Description of Plan
R95254-CPI-01 is an optional rider that provides indexed or interest benefits to the annuity payments beginning on the contract's First Annuity Payment Date. R95254-CPI-01 is issued to ages 0-85.

Index and Interest Benefits
If R95254-CPI-01 is attached to a contract, the annuity payment will be referred to as the Adjusted Annuity Payment. The following section describes the indexed or interest benefits provided by this rider:

<u>Adjusted Annuity Payment</u>
On the Annuity Date, we allocate the Adjusted Annuity Payment among the selected allocation options according to the Allocation Percentages. The Allocated Annuity Payment amount in each option is equal to the Adjusted Annuity Payment multiplied by the Allocation Percentage for that allocation option. At the end of each Annuity Year, we will increase the Allocated Annuity Payment amount for an allocation option if the Annual Interest Rate for that option is greater than zero. The Annual Interest Rate will never be less than zero. The Allocated Annuity Payment amount in each of the selected allocation options at the end of each Annuity Year is equal to (a) multiplied by (b), where:

(a) is the Allocated Annuity Payment amount on the previous Annuity Anniversary reduced proportionately by any withdrawals taken after the previous Annuity Anniversary, as applicable; and
(b) is one plus the Annual Interest Rate for that allocation option.

At the end of each Annuity Year, the Adjusted Annuity Payment is equal to the sum of all Allocated Annuity Payments. The contract owner has the option to change Allocation Percentages, to change crediting methods, or to reallocate values by sending us notice. On the Annuity Anniversary after we receive notice, if one or more of these options are exercised, all Allocated Annuity Payments are recalculated for the subsequent Annuity Year. These options are not available if the contract holder selected the CPI-U Rate Allocation or the Fixed Interest Allocation.

<u>Crediting Methods</u>
For the **Index Allocations with the Annual Point-to-Point Crediting Method**, we are filing two methods:

The first is the Annual Point-to-Point with 100% Participation and an Annual Cap. The Annual Interest Rate is the lesser of its annual Cap or its Participation Rate multiplied by its Annual Index Return (or Weighted Annual Index Return for the Blended Index). The Annual Interest Rate will never be less than zero.

The second is the Annual Point-to-Point with a Participation rate that is less than 100% with no Annual Cap. *This method will not be available initially. We will make it available upon increased buyer demand.* The Annual Interest Rate is the Participation Rate multiplied by its Annual Index Return (or Weighted Annual Index Return for the Blended Index). The Annual Interest Rate will never be less than zero.

The Annual Index Return is the Annual Index Change divided by the Initial Annual Index Value. The Annual Index Change is the Index value at the end of the Last Business Day of the current year minus the Initial Annual Index Value. The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year.

The Weighted Annual Index Return is determined by adding, for all Indexes within a Blended Index Allocation, the results obtained by multiplying each Annual Index Return (calculated as described above) by its Index Weight. The Index Weight for each Index within a Blended Index Allocation is shown on the Annuity Schedule and is guaranteed for all Annuity Years.

For **Index Allocations with the Monthly Sum Crediting Method**, the Annual Interest Rate for each Index Allocation is the sum of the Monthly Sum Index Rates during the Annuity Year. The Annual Interest Rate will never be less than zero.

The Monthly Sum Index Rate for each Index Allocation is the lesser of its Participation Rate multiplied by its Monthly Sum Index Return, or its monthly Cap. The Monthly Sum Index Rate in any Annuity Month may be less than zero.

The Monthly Sum Index Return is the percentage change of the Index value for the Annuity Month. The percentage change is the Monthly Sum Index Change divided by the Initial Monthly Index Value. The Monthly Sum Index Change is the Index value at the end of the Last Business Day of the Annuity Month minus the Initial Monthly Index Value. The Initial Monthly Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Month.

For **Index Allocations with the Monthly Average Crediting Method**, the Annual Interest Rate for each Index Allocation is its Participation Rate multiplied by its Monthly Average Index Rate, then reduced by its Annual Spread. The Annual Interest Rate will never be less than zero.

The Monthly Average Index Rate is the average of the Monthly Average Index Values for each Annuity Month within an Annuity Year minus the Initial Annual Index Value, then divided by the Initial Annual Index Value.

The Initial Annual Index Value is the value of the Index at the end of the Last Business Day before the start of the Annuity Year. The Monthly Average Index Value is the value of the Index at the end of the Last Business Day of the Annuity Month.

For the **CPI-U Rate**, the Annual Interest Rate is the CPI-U Rate. The CPI-U Rate is the percentage change in the CPI-U value for an Annuity Year. The CPI-U Rate is calculated by taking the closing value for the second month prior to the end of that Annuity Year, subtracting the closing CPI-U value from the same month of the previous calendar year, then dividing by the closing CPI-U value in the same month of the previous calendar year. The Annual Interest Rate will never be less than zero.

The CPI is the Consumer Price Index for Urban Areas (unadjusted). It is an index published by the Bureau of Labor Statistics of the U.S. Department of Labor. If publication is discontinued or changed substantially, upon receiving approval from the state, we will substitute a replacement index.

For the **Annual Point-to-Point w/cap or CPI-U Rate Guarantee, Monthly Sum or CPI-U Rate Guarantee, and Monthly Average or CPI-U Rate Guarantee**, the Annual Interest Rate is the greater of the CPI-U rate or the Annual Interest Rate for the selected Index Allocation.

For the **Fixed Interest Allocation**, the Annual Interest Rate is the Fixed Annual Growth Rate selected at issue. The Fixed Annual Growth Rate can be 2-6% and must be a whole number. The Fixed Annual Growth Rate cannot be changed after issue.

The **Cap** is a rate we declare on every Annuity Anniversary and guaranteed for the Annuity Year for certain index allocations. Each Cap will never be less than its guarantee shown on the Annuity Schedule. For the applicable Annual Point-to-Point allocations, we declare an annual Cap. For Monthly Sum allocations, we declare a monthly Cap. For allocations with Annual Point to Point with less than 100% Participation Rate, Monthly Average, and CPI-U Rate options, there is no applicable Cap.

The **Participation Rate** is a rate we declare for each Index Allocation on the Annuity Date. The Participation Rates for Index Allocations with a Cap or a Spread are guaranteed for all Annuity Years. The Participation Rates for Index Allocations without a Cap or a Spread are declared on every Annuity Anniversary.

The **Annual Spread** is a rate we declare for each Index Allocation with the Monthly Average Crediting Method on every Annuity Anniversary and guarantee for the Annuity Year. Annual Spreads can change each Annuity Year, but each Annual Spread will never be more than its guarantee shown on the Annuity Schedule.

Participation Rates, initial Caps and initial Annual Spreads are shown on the Annuity Schedule. Caps, Participation Rate, and Annual Spreads for subsequent Annuity Years are shown on the Annual Report.

Annual Caps are guaranteed to never be less than 3%, Monthly Caps are guaranteed to never be less than 1.25%, and Monthly Spreads are guaranteed never to be more than 10%. The company considers buyer demand, investment opportunities and option costs when setting Caps, Participation Rates and Annual Spreads.

Initially, only the S&P 500 Index, the CPI-U Rate, and the fixed allocations will be available. We will make the Nasdaq 100 and the Blended Index allocations available upon increased buyer demand. Here are the initial expected rates:

Index Allocation Caps and Spreads

Index Name	Annual Point-to-Point – 100% Participation, Annual Cap	Monthly Sum – Monthly Cap	Monthly Average – Annual Spread
S&P 500	6.00%	2.50%	3.00%

Index Allocation or CPI-U Rate Guarantee Caps and Spreads

Index Name	Annual Point-to-Point – 100% Participation, Annual Cap	Monthly Sum – Monthly Cap	Monthly Average – Annual Spread
S&P 500	5.50%	2.00%	3.50%

<u>Index Allocations</u>
The S&P 500 Composite Stock Price Index, the Nasdaq-100 Index, and a Blended Index will be used to determine Interest Adjustments. The S&P 500 Index is a market value weighted index of 500 leading companies from leading industries. It is compiled daily by Standard & Poor's, a division of McGraw-Hill Companies. The Nasdaq-100 Index is a capitalization weighted index composed of 100 of the largest securities listed on the Nasdaq Stock Market. The Blended Index is made up of four indexes: Dow Jones Industrials, Lehman Aggregate Bond, EURO STOXX 50, and Russell 2000. The weight of each of these within the Blended Index is shown on the Annuity Schedule, and will not change for the life of the contract.

If publication of one of these Indexes is discontinued or changed substantially, upon receiving approval from the state, we will substitute a suitable replacement index. We will attempt to choose a replacement which also represents a wide selection of the largest securities listed on the major stock exchanges.

See **Attachment 1** for examples of the Adjusted Annuity Payment calculation using various crediting methods.

Non-Discrimination
No assumptions or provisions contained in Form R95254-CPI-01 unfairly discriminates in availability, rates, benefits, or any other way, with regard to gender or marital status or for individuals of the same class, equal expectation of life, and degree of risk or hazard.

Rider Charge
Although there is no explicit charge for this rider, selecting this rider will reduce the Initial Annuity Payment.

Reserves
This rider will be valued together with the base contract it becomes attached to using the section of the Standard Valuation Law which applies to immediate annuity products in conjunction with NAIC Actuarial Guidelines 33 and 35, as applicable. The Company will reserve using CARVM with the Annuity 2000 Mortality Table and the maximum statutory interest rate. For 2008, the applicable interest rate is projected to be 5.50%.

Attachment 2 contains a reserve calculation demonstration.

Investments
The Company will purchase fixed income securities to back the fixed guarantees and inflation linked securities to back inflation guarantees, if selected, in the contract. To hedge the equity index liability created by the Initial Premium deposit, the Company will buy and sell call and put options and futures contracts on the S&P 500, the Nasdaq-100, and individual components of the Blended Index which match the index benefits provided by the product and selected by the contract owners. The percentage of premiums used to purchase derivative instruments will range from zero to five percent on an annualized basis.

All option contracts associated with this contract form are reviewed quarterly to ensure the Company is matched to the future expected contract holder obligations. If the Company is overhedged, options already purchased can be allocated to new or existing blocks of business. The Company can also liquidate an option position when deemed appropriate. If the Company is underhedged, additional options may be purchased. To test the adequacy of assets used to hedge the equity index liability, the Company will use stochastic derivative valuation to determine the market exposure. The calculation of this exposure will be done at least weekly.

Cash flow testing is performed each year for the equity-indexed annuity business. Actual assets including those in the hedging program are modeled with the insurance liabilities under both deterministic and stochastic interest rate and equity market scenarios. These tests are designed to confirm that the assets supporting the equity-indexed annuity liabilities are sufficient.

Mike Scriver, Vice President, Financial Engineering, and John Esch, Vice President and Corporate Actuary, have responsibility for monitoring and managing the departments that are directly involved in the derivatives management and various asset/liability risks for this contract. Mr. Scriver has over 15 years of insurance and derivatives experience. Mr. Esch has over 20 years of insurance experience, including over 10 years of asset/liability management and 10 years of experience with derivatives.

The risks of hedging include:

1. **Liquidity Risk –** The Company has the ability to close out a position in our derivative positions at any time at the fair market value of the derivative. This transaction would occur either through internal trades between product or business lines, or through the agent for the Company and the counterparty. The primary reason the Company would need to enter into this type of transaction would be if the Company determines its holdings exceed the potential future contract holder benefit associated to the performance of the appropriate Index.

2. **Counterparty Risk –** The Company has minimized the risk of counterparty default by entering into contractual agreements with counterparties with S&P ratings of A- or better. In addition, the Company has entered into support agreements with these counterparties requiring them to post collateral if the value of the hedge instruments exceeds a predetermined threshold. The threshold is dependent upon the credit rating of the counterparty (i.e. the lower the credit rating of the counterparty, the lower the threshold).

3. **Market Risk –** The Company buys and sells options, futures and other derivatives based on the S&P 500, the Nasdaq-100, and the individual components of the Blended Index. These derivatives are used solely to hedge against the potential contract holder benefit associated with this annuity. These derivatives are not used for speculative purposes. The Company's exposure to market risk is limited to the extent the Company is not properly hedged. The Company monitors this risk on a quarterly basis.

4. **Pricing Risk –** The Company's exposure to this risk is minimized by periodically reviewing and monitoring the Participation Rate, the Cap, the Annual Spread, and current interest rates in conjunction with the investment opportunities in the bond and options markets. Depending on the allocation, the Cap, the Participation Rate, or the Annual Spread can be changed on the annuity anniversary, when necessary, to adapt to the investment environment in which the options will be purchased.

5. **Legal Risk –** The Company has internal policies, which require the completion of the ISDA Master Agreement between the Company and the counterparty. A Preliminary Letter Agreement (confirmation document) is required to be signed by both parties to the option purchase and sale agreements, which details the terms of the contracts.

6. **Operational Risk –** The Company manages the impact of process errors by having backup systems and persons for all key functions. A comprehensive analysis is performed on a quarterly basis to determine the Company's hedge position regarding the options held versus the potential future contract holder benefit associated to the performance of the individual components of the Blended Index.

7. **Mortality Risk –** A possible circumstance that would result in our Company being imperfectly hedged would include incorrect mortality assumptions. An incorrect mortality assumption may result in us purchasing too many or too few options, depending on the direction in which we are incorrect. Based upon Company experience, we can reasonably estimate mortality. In addition, since we trade derivatives on a daily basis, we can rebalance our hedge daily to account for updated mortality assumptions.

8. **Timing Risk –** Because we rebalance our hedge positions at least daily, the timing risk arising from the time lag between when contracts are issued and when a hedge is purchased is minimal.

9. **Currency Risk** – Because we are investing in options denominated in other currencies to hedge allocations to the Blended Index, there is a risk that the foreign currency will drop in value and we will have an insufficient dollar denominated return to fund the contract holder benefit. The company benefits when the foreign currency increases against the dollar.

The due diligence we conduct with respect to our counterparties is outlined in **Attachment 3**.

SEC Registration
Forms C52010 and C52016, the base contracts to which this rider is optional, are fixed immediate annuities. The assets for these forms are held in the general account. The company has not filed these forms with the SEC and is not required to do so.

Respectfully submitted,

Matthew Gray, FSA, MAAA
AVP, Senior Actuary

Allianz Life Insurance Company of North America

Attachment 1
Demonstration of the Adjusted Annuity Payment Calculation

Annual Point-to-Point Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the S&P 500 Index Allocation.

<u>Example 1: Annual Point-to-Point crediting with capped positive annual index return.</u>
Assume 8.0% Annual Cap and 100% Participation.

Initial Allocated Annuity Payment	$703.16
Initial Index Value	1000
End of Year Index Value	1124
Annual Index Return	12.4%
Capped Annual Index Return	8.0%
Annual Interest Rate	8.0%

At the end of Year 1, since the Annual Cap is less than the Annual Index Return, the Annual Interest Rate is equal to the Annual Cap. The Allocated Annuity Payment is calculated as $703.16 * (1.08) = $759.41

<u>Example 2: Annual Point-to-Point crediting with negative annual index return.</u>
Assume 8.0% Annual Cap and 100% Participation

Initial Allocated Annuity Payment	$703.16
Annual Index Return	-6.22%
Capped Annual Index Return	-6.22%
Annual Interest Rate	0.00%

At the end of Year 1, since the Annual Index Rate is negative, the Annual Interest Rate is floored at 0%. The Allocated Annuity Payment is calculated as $703.16 * (1.000) = $703.16.

<u>Example 3: Annual Point-to-Point crediting with positive annual index return.</u>
Assume no Annual Cap and 50% Participation.

Initial Allocated Annuity Payment	$703.16
Annual Index Return	12.40%
Annual Index Return * Participation Rate	6.20%
Annual Interest Rate	6.20%

At the end of Year 1, since the Annual Interest Rate is equal to the Annual Index Return multiplied by the Participation Rate, the Allocated Annuity Payment is calculated as $703.16 * (1.062) = $746.76

<u>Example 4: Annual Point-to-Point crediting with negative annual index return.</u>
Assume no Annual Cap and 50% Participation

Initial Allocated Annuity Payment	$703.16
Annual Index Return	-6.22%
Annual Index Return * Participation Rate	-3.11%
Annual Interest Rate	0.00%

At the end of Year 1, since the Annual Index Rate is negative, the Annual Interest Rate is floored at 0%. The Allocated Annuity Payment is calculated as $703.16 * (1.000) = $703.16.

Attachment 1 continued

Annual Point-to-Point Crediting Method for the Blended Index Allocation
Assume the Initial Allocated Annuity Payment of $703.16, paid monthly. Assume 100% allocation to the Blended Index Allocation which is a weighted index of Dow Jones Industrials, Lehman Aggregate Bond, EURO STOXX 50, and Russell 2000. The weights are 35%, 35%, 20% and 10%, respectively. Assume the Cap for the Blended Index is 9.0%.

<u>Example 1:</u>

	Dow Jones	**Lehman**	**FTSE**	**Russell**
Weight	35%	35%	20%	10%
Annual Index Return	-4.34%	9.97%	-0.03%	1.00%

Blended Index Return = 35%*Dow Return + 35%*Lehman Return + 20%*FTSE Return + 10%*Russell Return
= (35% * -4.34%) + (35% * 9.97%) + (20% * -0.03%) + (10% *1.00%) = 2.06%
Index Return after Cap = Minimum (2.06%, 9.0%) = 2.06%
Annual Interest Rate = Maximum[1] (0, 2.06%) = 2.06%

At the end of Year 1, the Allocated Annuity Payment is calculated as $703.16 * (1.026) = $721.44

<u>Example 2:</u>

	Dow Jones	**Lehman**	**FTSE**	**Russell**
Weight	35%	35%	20%	10%
Annual Index Return	20.32%	14.76%	-0.91%	11.73%

Weighted Index Return = 13.27%
Capped Return = 9.00%
Interest Rate = 9.00%

Blended Index Return = 35%*Dow Return + 35%*Lehman Return + 20%*FTSE Return + 10%*Russell Return
= (35% * 20.32%) + (35% * 14.76%) + (20% * -0.91%) + (10% *11.73%) = 13.27%
Index Return after Cap = Minimum (13.27%, 9.00%) = 9.00%
Annual Interest Rate = Maximum[2] (0, 9.00%) = 9.00%

At the end of Year 1, the Allocated Annuity Payment is calculated as $703.16 * (1.09) = $766.44

[1] If the Blended Index Return had been negative, the Annual Interest Rate would equal zero.

[2] If the Blended Index Return had been negative, the Annual Interest Rate would equal zero.

Attachment 1 continued

Monthly Sum Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the S&P 500 Index Allocation.

At the end of the Annuity Year, the Initial Adjusted Annuity Payment is adjusted by applying the Annual Interest Rate. The Annual Interest Rate is the sum of the capped Monthly Interest Rates. The adjusted Annuity Payment is calculated as the Initial Annuity Payment multiplied by one plus the Annual Interest Rate.

Example 1:

Month	1	2	3	4	5	6	7	8	9	10	11	12
Index Change	6%	-5%	2%	-1%	8%	2%	4%	1%	0%	-5%	5%	2%
Monthly Cap	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Capped Monthly Interest Rate	3%	-5%	2%	-1%	3%	2%	3%	1%	0%	-5%	3%	2%

Sum of capped Monthly Interest Rates = 3 + (-5) + 2 + (-1) + 3 + 2 + 3 + 1 + 0 + (-5) + 3 + 2
Annual Interest Rate: = 8%
Initial Annuity Payment: $703.16
Adjusted Annuity Payment: = $706.13 * (1.08) = $762.62

Example 2:

Month	1	2	3	4	5	6	7	8	9	10	11	12
Index Change	2%	-5%	2%	-1%	-3%	8%	1%	-2%	0%	-2%	-3%	-1%
Monthly Cap	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Capped Monthly Interest Rate	2%	-5%	2%	-1%	-3%	3%	1%	-2%	0%	-2%	-3%	-1%

Sum of capped Monthly Interest Rates = 2 + (-5) + 2 + (-1) + (-3) + 3 + 1 + (-2) + 0 + (-2) + (-3) + (-1) = - 9%
Annual Interest Rate (floor of 0%) = 0%
Initial Annuity Payment: $703.16
Adjusted Annuity Payment: = $703.16 * (1.00) = $703.16

Attachment 1 continued

Monthly Average Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the S&P 500 Index Allocation for Example 1 and 100% allocation to the Blended Index for Example 2.

At the end of the Annuity Year, the Initial Annuity Payment is adjusted by applying the Annual Interest Rate. The Annual Interest Rate is calculated as a) less b) divided by c) where a) is the sum of the ending Monthly Index Values divided by 12, b) is the Initial Annual Index Value, and c) is the Initial Annual Index Value.

Example 1:
Assume the Participation Rate is 100% and the Annual Spread is 2.5%.

Month	1	2	3	4	5	6	7	8	9	10	11	12
Initial Annual Index Value	1,000											
Ending Monthly Index Value	1,050	998	1,017	1,007	1,048	1,069	1,111	1,122	1,122	1,100	1,155	1,178

Sum of Ending Monthly Index Values = 1,050 + 998 + 1,017 + 1,007 + 1,048 + 1,069 + 1,111 + 1,122 + 1,122 + 1,100 + 1,155 + 1,178
= 12,977
Monthly Average Index Rate = [(12,977 / 12) – 1,000] / 1,000
= 81.42 / 1,000
= 8.14%
Annual Interest Rate = Maximum (0%, 8.14% - 2.5%)
= Maximum[3] (0%, 5.64%)
= 5.64%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0564) = $742.82

Monthly Average Crediting Method for the Blended Index
Assume the Participation Rate is 100% and the Annual Spread is 1.5%.

	Dow Jones	**Lehman**	**FTSE**	**Russell**
Weight	35%	35%	20%	10%
Initial Index Value	$2,633.66	$59.00	$2,422.00	$170.00
Average Monthly Index Value	$2,758.59	$64.27	$2,398.56	$189.96
Annual Index Return	4.74%	8.93%	-0.97%	11.74%

Weighted Index Return = 35%* 4.74% + 35%* 8.93% + 20%* -0.97% + 35%* 11.74% = 5.76%
Annual Spread = 0.50%
Interest Rate = Maximum (0%, 5.76% - 1.50%)
= 4.26%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0426) = $733.11

[3] If the Monthly Average Index Rate minus the Annual Spread had been negative, the Annual Interest Rate would equal zero.

Attachment 1 continued

CPI-U Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the CPI-U.

Initial Allocated Annuity Payment	$703.16
Initial Consumer Price Index Value	1000
End of Year Index Value	1030
Annual Interest Return	3.00%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0300) = $724.25

Interest Allocation Crediting Method
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the Interest Allocation with a 6% Fixed Annual Growth Rate.

Initial Allocated Annuity Payment	$703.16
Annual Interest Return	6.00%

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.0600) = $745.35

Annual Point-to-Point Crediting Method or CPI-U Rate Guarantee
Assume the Initial Allocated Annuity Payment is $703.16, paid monthly. Assume 100% allocation to the Annual Point-to-Point or CPI-U Rate Guarantee. Assume there is 100% Participation with a 8.0% monthly cap for the Annual Point-to-Point Crediting Method.

Annual Point-to-Point

Annual Index Return	12.40%
Capped Annual Index Return	8.00%
Annual Interest Rate	8.00%

CPI-U

Annual Interest Return	3.00%

The greater of the CPI-U and Annual Point-to-Point Crediting Methods is the Annual Point-to-Point Crediting.

At the end of year 1, the Allocated Annuity Payment will be $703.16 * (1.08) = $759.41

Note: the monthly payment is the same for all crediting methods for illustration purposes only. The payment may vary by crediting method.

Attachment 2
Reserve Demonstration

The following describes the calculation of reserves for form R95254-CPI-01 on the Annuity Date. Because future annuity benefits are dependent on future index values, CARVM 35 applies. The reserve method follows CARVM with UMV, applied to a future stream of life contingent payments. There are three basic steps applied in CARVM with UMV.

Step 1: For each duration and each benefit at which an index-based benefit is available, determine the market value of the appropriate call option. The appropriate call option is one that exactly hedges the floor of the benefit at that point in time. This means that the payoff of the call option should exactly equal the difference between the specific benefit available at that point in time (reflecting all relevant contract features) and the guaranteed floor of that benefit. The market value should be determined using an appropriate option pricing technique, such as Black-Scholes or a stochastic scenario method.

Step 2: The market value of all of the call options are projected forward at the appropriate valuation interest rate to the point in time at which the call option would expire. The valuation interest rate should be consistent with the requirements of any applicable Actuarial Guidelines or regulations, such as Actuarial Guideline 33 or Actuarial Guideline 9-B.

Step 3: The future guaranteed benefits for each benefit at each time point are determined by adding the guaranteed floors of the benefit to the amounts determined in Step 2.

After steps 1 through 3 are determined, a CARVM calculation is applied in accordance with guideline 33.

The annuity benefits under form R95254-CPI-01 are adjusted on an annual basis based on the crediting method selected. A participation rate and depending on the allocation option selected, an annual cap or annual spread determines if the benefit increases or remains the same as the previous year. The following demonstration assumes an annual point to point crediting method, 100% participation, a current annual cap of 8.0%, a guaranteed minimum cap of 3.0%, and a life only payout option with an initial annuity payment of 1000 per year (paid at the beginning of the year).

Annuity Year	1	2	3	4	…	ϖ
Guaranteed Annuity Benefit	1000	1000	1000	1000		1000
Call Option for Excess Annuity Benefits		C1AB	C2AB	C3AB		Cϖ-1AB
Survival	1	1px	2px	3px		ϖ−1px
Guaranteed Annual Cap	8.00%	3.00%	3.00%	3.00%		3.00%

Following steps 1 through 3 above, we arrive at a reserve calculation equal to the following:

Initial reserve = (1000*1) + (1000*v*1px + C1AB * (1 + i) * v * 1px) + … + (1000*v^ϖ-1*ϖ-1px + Cϖ-1 AB * (1 + i) ^ ϖ-1 * v ^ ϖ-1 * ϖ-1px)

This is equivalent to the guaranteed benefits bifurcated from the call options to pay excess benefits and equals the following:

<u>Guaranteed benefit valuation</u>

(1000*1) + (1000*v*1px) + … + (1000*v^ϖ-1*ϖ-1px)

plus

<u>Excess Option Valuation</u>

(C1AB * (1 + i) * v * 1px) + … + (C(ϖ-1) AB * (1 + i) ^ (ϖ-1) * v ^ (ϖ-1) *(ϖ-1_px)

since v =1/ (1+i) the Option Valuation reduces to (C1AB*1px) + … + (Cϖ-1 AB * (ϖ-1)px)

The market value of the call options are valued using stochastic methods with inputs based on risk neutral pricing (Black-Scholes).

Attachment 2 continued

Reserve Demonstration

The demonstration below assumes the following:

Gender:	Male
Age:	65
Premium:	$21,886
Mortality:	Annuity 2000 Mortality Table
Interest Rate:	0.5%
Initial Annual Payment:	$1,000 (paid at the beginning of the year)
Lifetime Guarantee Payment:	$1000
Valuation Rate:	5.50%
Payment Option C:	Installments for Life with 10 year period certain

The guaranteed benefit valuation is based on CARVM 33 principles, using Annuity 2000 mortality and a valuation rate of 5.50%. The valuation is accomplished by assuming the guaranteed floor payment of $1000 annually for the lifetime projection. This implies a Guaranteed Benefit Valuation equal to the following:

Guaranteed Benefit Valuation: $12,666

The Excess Option Valuation assumes 10,000 stochastic runs each with 600 stochastic monthly returns for the lifetime projection using a log-normal process with a mean index return equal to 3% per annum and a per annum volatility equal to 16%. Because the annual cap is guaranteed at 3% after the first Annuity Year, the index crediting assumes an 8% annual cap in the first year, followed by a 3% annual cap in years 2 and higher. This implies an Excess Option Valuation equal to the following:

Excess Option Valuation: $2,327

The calculated reserve is the sum of the Guaranteed Benefit Valuation and the Excess Option Valuation.

Calculated Reserve: $14,993

Attachment 3
Due Diligence with Respect to Investment Counterparties

The following is a list of our counterparties:

Counterparty	S&P Rating as of 9/30/2007
Bank of America Corp	AA
Bank of New York Co. Inc.	A+
Barclays	AA
Bear Stearns	A+
BNP Paribas	AA+
Calyon	AA-
Citigroup	AA
Credit Suisse	AA-
Dresdner	A+
JPMorgan Chase Bank	AA
Lehman Brothers	A+
Merrill Lynch International	AA-
Société Générale	AA
UBS	AA+
Wachovia Bank	AA-

Before beginning to use a particular counterparty, the Investment Committee shall approve all counterparties added to the Company's counterparty pool. The Company requires all counterparties to maintain an "A-" rating by a National Recognized Statistical Rating Organization (NRSRO). All counterparties are required to have at least a long-term debt rating by a NRSRO in one of its three highest rating categories, which equates to an "A-" or better rating by Standard & Poor's Corporation and Moody's Investors Service, Inc.

The Company has the ability to incorporate a layer of protection by requiring the execution of a vehicle called an ISDA Credit Support Annex. This legal document allows the Company the ability to require the counterparty to: 1) post collateral above a certain threshold established by the Investment Committee, with a custodian bank held in trust, 2) mark-to-market the acceptable type of collateral and when to fund the trust, and 3) establish the acceptable increments to fund the trust.

Before a trading relationship is established, the Counterparty must demonstrate to the Company's Head of Financial Engineering an understanding of the liability and corresponding derivative. They must also demonstrate a desire to issue the appropriate derivative.

Going forward, the Company's Investment personnel will review all counterparty ratings on a semi-monthly basis. In the event that a counterparty's rating is downgraded below "A-" by a NRSRO, the Company will suspend trading with the counterparty. According to the ISDA Credit Support Annexes that have been developed, the entire market value exposure of these derivative transactions shall be posted to a trust agreement. The Company's Head of Financial Engineering will determine whether any corrective actions should be taken for counterparties that fall below an "A-" rating.

On a monthly basis, the Company has a process that verifies derivative assets. A report will capture the number of contracts, market values, counterparty, and unrealized gain/loss positions.

Quarterly, the Investment Management area will report all new derivative transactions entered into, contracts closed, derivative exposure by type, counterparty exposure (both gross and net of collateral posted), and counterparty's rating to the Investment Committee.

Allianz Life Insurance Company of North America
5701 Golden Hills Drive
Minneapolis, MN 55416-1297

Re: **Allianz Life Insurance Company of North America/ NAIC # 90611 / FEIN #41-1366075**
Individual Annuity Rider Filing – R91018 et al

The following forms are attached for your review.

R91018	**Index Allocation Payout Rider**
R91019	**Index Allocation Payout Rider**
R95254-CPI-01	**Index Allocation Rider**
IMMED-01	**Immediate Annuity Application**
R91007-03	**Income Withdrawal Inflation Rider**

The above referenced forms are new and do not supersede any previously filed forms and may be used with other forms approved in the future. These forms will be sold through independently licensed agents and/or brokers in all markets. These forms are being filed concurrently in Minnesota, our state of domicile. The effective date will be determined by your approval. We certify that the forms comply with Regulation 49 and Arkansas Code Ann. 23-79-138. In addition, we certify that the forms comply with the Arkansas External-Indexed Contract Guidelines for Disclosure and Advertising and Agent Education.

The forms are submitted in final printed format except for slight font and formatting variations that may occur due to Allianz Life product printer configurations. Allianz Life takes care to assure that printer-based variations are minimized; however, should changes occur, such changes will not alter the content or meaning of any approved form.

Please note that the signatures of our officers historically shown on the applicable forms are no longer included in our filed forms. Signatures will be included on all contract forms when issued.

Form R91018 is a rider intended to offer indexing options at the time of annuitization. This rider provides the opportunity for the annuity payment to increase annually based on changes in one or more external indexes or based on a fixed interest rate. If this rider is exercised on the annuity date, the annuity options available with the indexing options are provided in the rider. If this rider is not exercised, the annuity options within the base contract remain available on the annuity date. There is no charge for this rider.

Form R91019 is substantially similar to R91018 except that it also offers CPI-U increase options. This rider provides the opportunity for the annuity payment to increase annually based on changes in one or more external indexes, in a consumer price index, or based on a fixed interest rate. There is no charge for this rider.

We are filing both forms R91018 and R91019 in order to allow us the flexibility to utilize the applicable rider depending on marketing strategy. They will not be marketed simultaneously on the same product.

These riders provide multiple allocation options that currently include the S&P 500, the Nasdaq-100, a blended index (which includes the Dow Jones Industrials, the Lehman Brothers Aggregate Bond, the EuroSTOXX 50, and the Russell 2000 Index, in percentages we set that will not change during the life of a contract). The contract owner may select a maximum of 10 allocations in 1% increments, totaling 100% at the time of annuitization (on the Annuity Date). The owner may request changes in the allocation percentages and crediting methods on an annual basis.

Rider R91019 also offer a “greater than” option that compares the increase in one of the aforementioned indexes to the increase in the CPI-U rate, and the contract owner gets the greater of the two, a CPI-U rate option, and a fixed interest option.

If the contract owner selects the CPI-U rate allocation option, the fixed interest allocation option, or any of the guaranteed crediting methods that include a CPI-U rate, 100% allocation is required and changes to crediting methods can not be made.

In the future we may offer other published indexes. We certify that we will notify the Department for approval prior to any change to these allocation options.

We offer three crediting methods to calculate the interest rate for the index-allocated annuity payment: annual point-to-point, monthly sum, and monthly average.

For annual point-to-point allocations, there are the following two options: (1) the annual return will be capped for each index allocation; or (2) the annual return will not have a cap, but there will be a lower participation rate. The calculated interest rate will never be less than zero percent. If the contract owner selects one of the "greater than" options described above, the calculated interest rate will never be less than zero percent or the CPI-U Rate, whichever is greater. The cap/participation rate and zero percent minimum/CPI-U Rate minimum for the blended index are applied after the weighted average of the individual annual index returns is calculated. For monthly sum allocations, the interest rate is the sum of each annuity month's percentage change of the index value, each of which may be limited by a cap. For the monthly average allocations, the interest rate is its participation rate multiplied by the monthly average index rate and then reduced by the annual spread.

Prior to the annuity date, a payout quote will be provided to owners upon request. Quotes will provide information on the different index/payout amounts based on the options available. Quotes will be tailored to provide information as requested by the owner. An example of a payout quote is enclosed. Please note, these materials are not final print and may be revised in the future, however the core content will remain substantially unchanged.

Form R95254-CPI-01 is a rider intended to replace R95254-CPI which was to be used with individual immediate annuity contract forms C52010 and C52016, all previously filed and approved with the Department. Form R95254-CPI-01 is an Index Allocation Rider that provides the opportunity for the annuity payment to increase annually based on changes in one or more external indexes, in a consumer price index, or based on a fixed interest rate. If the contract owner selects the CPI-U Rate allocation option, the fixed interest allocation option, or any of the guaranteed crediting methods that include a CPI-U rate, 100% allocation is required and changes to crediting methods can not be made.

We certify that the only changes made to the revised form: Added item (c) in **the Description of the Allocations in your contract** section on page 1 and any subsequent references have also been updated to reflect this change.

Description of the Allocations in your contract
You may allocate your Annuity Payment as follows:
(a) among one or more Index Allocations in 1% increments that must total 100%; or
(b) 100% to the CPI-U Rate Allocation; or
(c) 100% to an Index Allocation that includes a CPI-U Rate Guarantee Crediting Method; or
(d) 100% to the Fixed Interest Allocation.

Due to the timing of when the Bureau of Labor Statistics publishes the CPI-U Rate, we have modified the second sentence of the CPI-U Rate definition to reflect a closing value three months prior versus two months prior to the end of that Contract Year. (page 4)

CPI-U Rate
The CPI-U Rate is the percentage change in the CPI-U value that we calculate for an Annuity Year. We calculate the CPI-U Rate for an Annuity Year by taking the CPI-U value for the **third** month prior to the end of that Annuity Year, subtracting the CPI-U value from the same month of the previous calendar year, then dividing by the CPI-U value in the same month of the previous calendar year. A positive change in the CPI-U Rate will result in an increase to the Annuity Payment amount, but a negative CPI-U Rate will never cause a decrease in the Annuity Payment amount. The CPI-U Rate will be calculated at the end of each applicable Annuity Year and will be shown on the Annual Report.

Form IMMED-01 is intended to be used when we market R95254-CPI-01. We certify that the only change made to this form is in relation to the changes needed to market R95254-CPI-01. The organization of options in section "**9. Index Allocation Rider**" was updated to reflect that any CPI-U option requires 100% allocation.

Form R91007-03 is a rider intended to replace R91007-01 which was previously filed and approved with the Department. Due to the timing of when the Bureau of Labor Statistics publishes the CPI-U Rate, we have modified the second sentence of the CPI-U Rate definition to reflect a closing value three months prior versus two months prior to the end of that Contract Year. (page 2)

We certify the following item was the only change made to the revised form:
CPI-U Rate
The CPI-U Rate is the percentage change in the CPI-U value for a Contract Year. It is calculated by taking the closing CPI-U value for the **third** month prior to the end of that Contract Year, subtracting the closing CPI-U value from the same month of the previous calendar year, then dividing by the closing CPI-U value in the same month of the previous calendar year. A positive change in the CPI-U Rate may result in an increase to the maximum annual Income Withdrawal, but a negative CPI-U Rate will never cause a decrease in the maximum annual Income Withdrawal. The CPI-U Rate will be calculated at the beginning of each applicable Contract Year and will be shown on the Annual Report.

Thank you for your consideration of this filing. If you have any questions, or if you need additional information to complete your review, please call me at 800.328.5601, extension 47135, send a fax to me at 763.765.6306, or send a note electronically to me at _patricia.evans@Allianzlife.com.

Sincerely,

Patricia Evans
Compliance Analyst

Allianz

CERTIFICATE OF COMPLIANCE
Actuarial Certification

Allianz Life Insurance Company of North America hereby certifies that the policy forms listed below are in compliance will all of the requirements of Actuarial Guidelines XXXV or XXXVI, as appropriate.

External–indexed contracts will be addressed separately in the Actuarial Memorandum and the asset adequacy analysis. Assets supporting these products and the associated reserves will be separately identified in this analysis.

The Company has designed a hedging program to manage the risks inherent in this product. Documentation of the hedging program along with the ongoing results of the hedge effectiveness will be maintained by the Company.

Additionally, the Actuarial Guideline 35 Reserve Certification which confirms that the assumptions within the reserve computation have been reasonably and consistently applied will be filed with each statutory financial statement.

Matthew Gray

Matthew Gray, FSA, MAAA
AVP, Sr. Actuary
Allianz Life Insurance Company of North America
April 17, 2008

Forms
R91018 Index Allocation Payout Rider
R91019 Index Allocation Payout Rider (with CPI)
R95254-CPI-01 Index Allocation Rider

Allianz Life Insurance Company of North America
5701 Golden Hills Drive
Minneapolis, MN 55416-1297

CERTIFICATE OF READABILITY

Contract Form	Flesch Score
R91018	52.3
R91019	51.5
R95254-CPI-01	50.2
IMMED-01	50
R91007-03	50

It is hereby certified that each contract form listed above meets the minimum reading ease score required by each of the following states:

ARIZONA
ARKANSAS
CONNECTICUT
DISTRICT OF COLUMBIA
FLORIDA
GEORGIA
HAWAII
INDIANA
KENTUCKY
MASSACHUSETTS
MAINE
MINNESOTA
MONTANA
NEBRASKA
NEVADA
NEW HAMPSHIRE
NEW JERSEY
NEW MEXICO
NORTH CAROLINA
NORTH DAKOTA
OKLAHOMA
OHIO
SOUTH CAROLINA
SOUTH DAKOTA
TENNESSEE
VERMONT
VIRGINIA
WEST VIRGINIA
WISCONSIN

The Flesch score was calculated using the text of the entire form. ("Text" is as defined by state regulations).

Each form is readable and complies with all applicable state rules and regulations as to size of print, format and arrangement.

Date: 04/17/2008

Rose E. Tibke

Rose E. Tibke
AVP – Director of Product Filing

Statement of Variability
Allianz Life Insurance Company of North America

Single Premium Immediate Annuity Series Application
(IMMED-01)

Page #	Variable	Rationale
1	Company address	If the company were to move, the new address would be inserted.
1	Product name	If the company were to change the marketing name, the new marketing name would be inserted.
2	Section 3. Plan specifics: Available for the [Allianz Income Provider, Allianz Income Builder, and Allianz Income Legacy] contracts	If the company were to change the marketing names, the new marketing names would be inserted.
2	Section 3. Plan specifics: Available for the [Allianz Income Provider[,] [and] Allianz Income Builder[, and Allianz Income Legacy]] contracts [only]	If the company were to change the marketing names, the new marketing names would be inserted. Also, it is to be determined whether the Allianz Income Legacy product is available for purchase with funds from a qualified plan. If it is not, the product name will be suppressed.
2	Section 3. Plan specifics: IRA options	Options may be inserted or suppressed.
3	Section 5. Annuity products: Product names	If the company were to change the marketing names, the new marketing names would be inserted.
3	Section 5. Annuity products: Liquidity Rider [may not be purchased with funds from a qualified plan]	It is to be determined whether the Liquidity Rider is available for purchase with funds from a qualified plan. If it is, the bracketed language will be suppressed.
3	Section 6. [Allianz Income Provider and Allianz Income Builder] Annuity Option selection: Product names	If the company were to change the marketing names, the new marketing names would be inserted.
3	Section 7. [Allianz Income Legacy] Annuity Option selection: Product name	If the company were to change the marketing name, the new marketing name would be inserted.
3	Section 7. [Allianz Income Legacy] Annuity Option selection: [The [Allianz Income Legacy] Annuity may not be purchased with funds from a qualified plan.]	It is to be determined whether the Allianz Income Legacy product is available for purchase with funds from a qualified plan. If it is, the entire sentence will be suppressed.
3	Section 7. [Allianz Income Legacy] Annuity Option selection: [50% Return of Premium], [25% Return of Premium], [10% Return of Premium]	It is to be determined whether all three of these return of premium options will be available. Those that are not available will be suppressed.
4	Section 9. Index Allocation Rider: Select up to a maximum of [10] allocations…	We currently allow up to a maximum of 10 allocations; however, we may want to expand or limit this number.
4	Section 9. Index Allocation Rider: If [any one of the options that include the CPI-U Rate or] the Fixed Interest option is selected, 100% allocation is required.	It is to be determined whether we will initially offer the CPI-U Rate options. We will suppress those that we decide not to offer.
4	Section 9. Index Allocation Rider: Index and Crediting Method options	It is to be determined which indexes and crediting methods we will initially offer. We will suppress those that we decide not to offer.
4	Section 9. Index Allocation Rider: CPI-U Rate option	It is to be determined whether we will initially offer the CPI-U Rate option. If we do not, we will suppress this option.

Page #	Variable	Rationale
4	Section 9. Index Allocation Rider: Fixed interest option	It is to be determined which fixed interest percentages we will initially offer. We will suppress those that we decide not to offer.
5	Section 13. Replacement: Web address	If the company's web address was to change, the new web address would be inserted.
6	Section 15. Agreements and signatures: Various states' fraud language	If any of these states change their fraud language, the new language would be inserted.
6	Section 15. Agreements and signatures: Web address	If the company's web address was to change, the new web address would be inserted.