

MULTI-STATE MARKET CONDUCT REVIEW
OF
ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

5701 Golden Hills Drive
Minneapolis, Minnesota 55416

REGULATORY SETTLEMENT AGREEMENT

REVIEW PERIOD:

January 1, 2001 through December 31, 2008

NAIC #90611

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

REGULATORY SETTLEMENT AGREEMENT

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ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA
REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement (hereinafter the "Agreement"), is entered into on the dates set forth below, by and among Allianz Life Insurance Company of North America (hereinafter "Allianz" or "the Company"), the states of Iowa, Florida, Minnesota and Missouri (hereinafter the "Lead States"), and the other states that agree to become a party to this Agreement by executing and delivering a joinder in the form of Exhibit A hereto (the Lead States and such other states being referred to collectively hereinafter as the "Participating States").

I. PREAMBLE

WHEREAS, the Lead States have conducted a review of the Company practices (the "Review"), focused on Allianz's fixed annuity products for the time period of January 1, 2001 through December 31, 2008 ("the Review Period");

WHEREAS, the Parties desire to enter into an agreement with Allianz to resolve questions and issues which arose during the Review and to provide certain remedial actions with respect to Allianz's annuity sales during the Review Period; and

WHEREAS, these agreements are contained in two principal Articles of this Agreement: Article IV - the Corrective Action and Confirmation Plan Article; and Article V - the Remediation Plan Article;

NOW therefore, in consideration of the respective covenants made by the Parties herein and intending to be legally bound, Allianz and the Participating States hereby stipulate and agree as follows.

II. DEFINITIONS

For purposes of this Agreement the following definitions apply:

1. "Agreement" means this Regulatory Settlement Agreement, including its Exhibits, as the same may be amended from time to time as provided herein.

2. "Annuity" and "Annuities" means any fixed annuity (whether or not indexed) issued by Allianz during the Review Period in a Participating State with a required deferral period of one (1) year or more.

3. "Categorization Date" means the date on which the letter in the form of Exhibit E to this Agreement is sent to the owner of a Remediation Annuity.

4. "Complaint" means a complaint, from whatever source, that is listed on Allianz's complaint log with a date on or before March 31, 2013 relating to a Two-Tier Annuity issued during the Review Period.

5. "Effective Date" means the date referred to as the Effective Date as described and defined in Section X.2. of this Agreement.

6. "Execution Date" means the date of the signature of the last of the Lead States and Allianz to execute the signature pages of this Agreement.

7. "Lead State" or "Lead States" means one or more of the following states: Florida; Iowa; Minnesota; and Missouri.

8. "Monetary Penalty" means the sum referenced in Article VIII. of this Agreement.

9. "Notification Letter" means the letter to certain annuity owners described in Section V.2. of this Agreement, in the form of Exhibit E of this Agreement.

10. "Participating State" or "Participating States" means the Lead States (Iowa, Florida, Missouri and Minnesota) and each of the following states that agrees to become a party to this Agreement by executing and delivering to Allianz (with a copy to the Lead States) a

joinder to this Agreement in the form attached hereto as Exhibit A: Alaska; Connecticut; District of Columbia; Georgia; Idaho; Illinois; Kansas; Kentucky; Louisiana; Maryland; Massachusetts; Michigan; Mississippi; Montana; Nebraska; Nevada; New Jersey; North Carolina; North Dakota; Ohio; Oklahoma; Oregon; Pennsylvania; Rhode Island; South Carolina; South Dakota; Texas; Virginia; Washington; West Virginia; and Wyoming. Additional states not listed above, other than California, New York and Vermont, may participate as parties to this Agreement if such states sign and deliver to Allianz (with a copy to the Lead States) a joinder to this Agreement in the form attached hereto as Exhibit A.

11. "Parties" means the insurance departments of each of the Participating States and Allianz.

12. "Pro Rata Allocation of Monetary Penalty" means the sum resulting from the calculation set forth in Article VIII. of this Agreement.

13. "Remediation Annuities" means all Two-Tier Annuities issued during the Review Period with respect to which a Complaint, as defined in Paragraph 4 above, was received, subject to the exclusions set forth in Section V.1. of this Agreement.

14. "Reports" means the implementation and monitoring reports described in Article VI. of this Agreement.

15. "Review File" means all documents and other materials maintained by Allianz, in the ordinary course of its business concerning a Remediation Annuity, as supplemented by any materials properly and timely submitted by the owner(s) of a Remediation Annuity pursuant to the terms of Article V.2.d.ii. of this Agreement and any supplementation by Allianz or the States.

16. "Review Period" means January 1, 2001 through December 31, 2008, inclusive.

17. "Review Process" means the process for re-evaluating complaints previously submitted to Allianz or the Participating States by owners of Remediation Annuities as described in Article V of this Agreement.

18. "Scope of the Review" means Allianz's marketing and sale of the Annuities, as defined in Item 2 above; procedures for issuing the Annuities; suitability of the Annuities; and practices for handling complaints, replacements, and surrenders related to the Annuities, during the Review Period.

19. "State" means any one of the United States of America, the District of Columbia or United States' territories.

20. "Statement of Understanding" or "SOU" means a document prepared by Allianz that was used as a disclosure document during the sales process.

21. "Two-Tier Annuities" means the following annuity products issued by Allianz during the Review Period: 10% Bonus PowerDex Elite; 10% Buffet (a/k/a Instant Cash Bonus Annuity 10); 5% Bonus PowerDex Elite; 5% Buffet (a/k/a Accumulator Buffet Annuity 5); 6% Buffet (a/k/a Accumulator Buffet Annuity 6); 7% Buffet (a/k/a Accumulator Buffet Annuity 7); 8% Buffet (a/k/a Accumulator Buffet Annuity 8); 9% Buffet (a/k/a Accumulator Buffet Annuity 9); Accum 12 (a/k/a Instant Cash Bonus Annuity 12); Accumulator 6% Cash Bonus Annuity; Accumulator 7% Cash Bonus Annuity; Accumulator 8% Cash Bonus Annuity; Accumulator 9% Cash Bonus Annuity; Accumulator 10% Cash Bonus Annuity; Accumulator 12% Cash Bonus Annuity; Accumulator 14% Cash Bonus Annuity; Bonus Maxxxx; Bonus Maxxxx 12%; Bonus Maxxxx 14%; Bonus Maxxxx Elite (a/k/a Accumulator Bonus Maxxxx Elite); BonusDex; BonusDex Elite; Buffet 14% (a/k/a Accumulator Buffet Annuity 14); Cash Bonus

Elite Annuity; InCommand Dex; InfiniDex 10; MasterDex 10; MasterDex 10 Plus; Power Rate 5 Elite; and PowerRate 5.

22. The terms "he or she" and "his or her" include "it" or "its," where applicable. Defined terms expressed in the singular also include the plural form of such term, and vice versa, where applicable.

23. All references herein to Articles, Sections, paragraphs and exhibits refer to Articles, Sections, paragraphs and exhibits of and to this Agreement, unless otherwise expressly stated in the reference.

24. All capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Agreement.

III. BACKGROUND

1. Allianz is a Minnesota-domiciled insurer, and at all relevant times has been a licensed insurance company in all of the Participating States.

2. This Agreement is the product of negotiations between Allianz and the Lead States on behalf of the Participating States following the completion of the Review.

3. The Scope of the Review was limited to the Review Period and encompassed Allianz's marketing and sale of the Annuities; procedures for issuing the Annuities; suitability of the Annuities; and practices for handling complaints, replacements, and surrenders related to the Annuities.

4. Allianz implemented various enhancements and corrective actions before and during the pendency of the Review that resulted in its current business practices.

5. Statement of Allianz: Allianz wishes to resolve the Review in the interest of compromise, to avoid the disruption of its business, and for other reasons, but does not admit or

concede any actual or potential violation, fault, wrongdoing, or liability in connection with the Review.

IV. CORRECTIVE ACTION AND CONFIRMATION PLAN

Allianz agrees to implement the following business practices within the time frames set forth below. Allianz agrees to maintain the business practices described in this Corrective Action and Confirmation Plan for a period of no less than two years from the Effective Date, except that it reserves the right to modify such business practices within the two-year period to the extent necessary to either: (1) maintain compliance with the applicable laws of any of the Participating States, as such laws may be modified by the Participating States from time to time; or (2) provide greater disclosure, clarity, benefits or protections for consumers. Any material modifications that Allianz makes to such business practices will be described in the Reports required of Allianz by Article VI of this Agreement.

1. Annuity Annual Reports/Annual Statements for Two-Tier Annuities

a. Allianz's Current Business Practice

On or about the anniversary date of the issuance of its annuities, Allianz mails to annuity owners an annual report, which provides information about the value(s) of the annuity and certain activity and allocation decisions regarding the annuity.

b. Allianz's New Business Practice Under the Corrective Action and Confirmation Plan

Allianz and the Lead States have agreed upon revised templates for annual reports for Allianz's Two-Tier Annuities, copies of which are Exhibit B of this Agreement. The new format annual reports will not contain any references to the term "yield," and will be used by Allianz for annual reports for Two-Tier Annuities mailed by Allianz beginning no later than 180 days after

the Effective Date. Allianz may make changes to the format and presentation of the annual reports which do not affect the substance of the disclosures.

2. Agent Oversight Program

a. Allianz's Current Business Practice

The Allianz Agent Oversight Program (1) reviews data, including: the percentage of the agent's new business that consists of replacements; and the volume of the agent's new business applications that require enhanced suitability review or have been rejected on suitability grounds; (2) consolidates data regarding potential agent risks and develops an agent profile as a predicate for informed decisions regarding the agent's conduct; and (3) addresses conduct that falls short of Allianz's expectations, as outlined to agents in Allianz's business policies, practices and agent code of conduct. Allianz periodically reviews and revises this program to improve the identification of risky agent behavior.

The Agent Oversight program is supplemented by the Company's Special Investigations Unit ("SIU") program, which investigates allegations of agent fraud, forgery and other forms of serious misconduct and reports to state insurance departments or other third parties as required by applicable law.

b. Allianz's New Business Practice Under the Corrective Action and Confirmation Plan

Allianz will maintain its current Agent Oversight and SIU programs for a minimum of two years from the Effective Date. Allianz retains the right to enhance these programs. Allianz will provide reports on the committee's activity as a part of the reports required under Article VI of this Agreement.

3. Consumer Complaints— Administrative Coding

a. Allianz's Current Business Practice

Allianz maintains electronic copies and an electronic database of all complaints received from consumers. Allianz personnel review each new complaint to determine the reasons or bases for each complaint, and assign in the database a primary and, in many cases, a secondary "reason code." Complaints that allege a misrepresentation in the annuity sale process are assigned a "misrepresentation" code as the primary or secondary reason code if misrepresentation is the primary or secondary basis for the complaint. Complaints are categorized and coded regardless of the perceived credibility or lack of credibility of statements made in the complaint.

Allianz's database permits a user to search, sort and select complaints with any reason code for review.

Allianz's management uses the "reason codes" to monitor trends in the complaints being received and to perform analysis and other activities. The "reason codes" have no impact upon how a complaint is investigated and resolved.

b. Allianz's New Business Practice Under the Corrective Action and Confirmation Plan

Allianz will modify its complaint database and new complaint coding process, so that a new complaint shall be assigned a "misrepresentation" complaint code if the complaint may reasonably be found to fit one or more of the following categories, even if such descriptions are not the predominant focus or theme of the complaint: (1) alleges or describes a misrepresentation by an Allianz agent in the annuity sale process; (2) alleges or describes a misrepresentation in written materials used by the agent in the sale process that purported to describe the annuity being offered for sale; or (3) alleges that the consumer received misleading or inadequate disclosures during the annuity sale process with respect to features of the Annuity that were

material to the needs and objectives of the purchaser of the Annuity. Complaints will continue to be assigned a misrepresentation reason code as its primary code if the complaint is primarily based on allegations of misrepresentation. If the complaint is not primarily based on alleged misrepresentation, but includes any allegations of misrepresentation, the complaint will be assigned a secondary code of misrepresentation. As a result, all complaints alleging misrepresentation will be identified as such in either the primary or secondary reason code.

The Company's current procedures will be revised to explicitly state that allegations of misrepresentation are not to be discounted due to a perception that such allegations are not credible, and that any complaint that contains allegations fitting the categories described in the preceding paragraph shall be coded as a misrepresentation regardless of the number, substance or perceived strength or weakness of all of the issues identified in the complaint. The complaint coding process will continue to be subject to periodic quality control checks. These enhancements will be implemented within six (6) months of the Effective Date.

4. Consumer Complaints - Review Process:

a. Allianz's Current Business Practice

Allianz's complaint investigation process includes reviewing the suitability, at the time of the sale, of the sale of each annuity that is the subject of a complaint. If necessary, that includes gathering necessary factual information not contained in Allianz's records. In determining the appropriate action to take in response to suitability-related issues, complaint handlers may consult with members of Allianz's Suitability Review team. If it is determined, during the handling of a complaint, that the sale of an annuity was not suitable for the purchaser at the time of the sale, based upon applicable legal requirements or Allianz suitability standards in effect as of the date of the issuance of the Annuity contract, appropriate remediation is offered to the consumer, even if suitability was not an explicit basis for the complaint.

b. Allianz's New Business Practice Under the Corrective Action and Confirmation Plan

Allianz's current complaint handling procedures will be revised to: (1) more explicitly require that for complaints involving either misrepresentation or suitability, complaint handlers will conduct a suitability review and a misrepresentation review using any applicable legal requirements and Allianz suitability or misrepresentation review standards in effect at the time the Annuity was issued; (2) require, where appropriate, formal consultation with the Suitability Review team; and (3) re-state Allianz's commitment to taking appropriate action whenever a sale is deemed to be unsuitable under applicable legal requirements or Allianz suitability standards. Allianz will implement these changes within six months of the Effective Date.

5. Disclosures

a. Allianz's Current Business Practice

Allianz currently provides various disclosure materials, including brochures and other materials required to be provided to (and, in some cases, executed by) the purchaser during the sales process. These materials are tailored to reflect the differences in the structure and operation of the various Allianz annuity policies.

b. Allianz's New Business Practice Under the Corrective Action and Confirmation Plan

Allianz agrees to develop and require the agents to provide prospective purchasers of Two-Tier Annuities in every State a short annuity contract disclosure document ("the Disclosure Statement"). Exhibit C contains an example of the Disclosure Statement, which is acceptable for use in the sale of Two-Tier Annuities in States which have not adopted conflicting disclosure requirements. Allianz may modify the Disclosure Statement as may be necessary to comply with applicable law, including the particular requirements of specific states as they may change from time to time, changes in its business practices, changes to the features of its Two-Tier Annuity

products, or the introduction of new Two-Tier Annuity products. Agents will be instructed to provide the Disclosure Statement to the applicant at or before the date of the application. Allianz will implement these changes within six months of the Effective Date.

6. The Review of Advertising Materials, Including Agent Training Materials

a. Allianz's Current Business Practice

Allianz's advertising compliance group reviews and approves all advertising material prepared by Allianz for use in the sale of annuities or agent training, whether it is intended to be used with consumers in the sale of annuities or for agent use only. Each piece of advertising is assigned a unique tracking number and is reviewed for compliance with Allianz's advertising manual, which provides detailed guidelines for compliance with applicable laws and practices. Materials may be approved, disapproved, or returned for specific changes prior to re-submittal.

Allianz represents that every piece of advertising prepared by Allianz producers (i.e., agents or Field Marketing Organizations) which mentions Allianz's name or an Allianz product is required to be submitted to Allianz's advertising compliance group for review and approval prior to use. The contracts which Allianz entered into with its appointed agents and contracted Field Marketing Organizations during the Review Period require the submission of such materials to Allianz for review and approval prior to their use in the sale of Allianz annuities. These materials are reviewed and evaluated using the same process and advertising guidelines manual used for the review of materials prepared by Allianz.

b. Allianz's New Business Practice Under the Corrective Action and Confirmation Plan

Allianz will continue to enforce its current advertising review procedures and guidelines for all advertising materials as described above, for a period of no less than two years after the Effective Date.

7. Replacements.

a. Allianz's Current Business Practice

Allianz has replacement procedures in place designed to comply with the requirements of each state. In states that have adopted the NAIC Life and Annuities Replacement Model Regulation ("Replacement Model"), or similar requirements, Allianz sends annuity owners who provide notice of an intention to replace an Allianz annuity a notification letter required by Section 6 of the Replacement Model. With respect to annuities with an annuity value of greater than \$100,000.00, Allianz provides additional replacement disclosures.

Allianz permits the replacement of one Allianz annuity with another Allianz annuity (sometimes referred to as internal replacements) only in limited circumstances. All such transactions are subject to Allianz's suitability review process, which requires elevated suitability review if certain factors are present in the proposed transaction.

b. Allianz's New Business Practice Under the Corrective Action and Confirmation Plan

Allianz will maintain its existing replacement procedures for no less than two years after the Effective Date, except for the following changes, which it commits to for no less than the same two-year period. Allianz will send the notification required by Section 6(B) and 6(C) of the Replacement Model to all annuity owners in Participating States surrendering a Two-Tier Annuity. Allianz will also adopt replacement monitoring elements found in Section 4 of the Replacement Model in all Participating States. Specifically, Allianz will implement Sections 4(A)(2) and (5), Section 4(B)(3)-(5), Section 4(C) and Section 4(H) of the Replacement Model. The notification referred to in this Section will be in the form attached to this Agreement as Exhibit D. Allianz will implement these changes within six months of the Effective Date.

V. REMEDIATION PLAN

Allianz agrees to implement the following plan for the remediation of certain Annuities which have been the subject of complaints.

1. Remediation Annuities

The Annuities eligible for the Review Process are referred to as Remediation Annuities. Remediation Annuities consist of all Two-Tier Annuities issued during the Review Period with respect to which a Complaint, as defined in Paragraph 4 above, was received, except that the following categories are hereby excluded:

- a. annuities included in the settlement class in *Castello v. Allianz Life Insurance Company*, Case No.: MC 03-20405, in State of Minnesota, County of Hennepin, District Court, Fourth Judicial District;
- b. annuities included in the settlement class in *Iorio v. Allianz Life Insurance Company*, Case No. 05-cv-0633 JLS (CAB), in the United States District Court for the Southern District of California;
- c. annuities eligible for the remediation process conducted in connection with the Consent Judgment filed on October 8, 2007 in the State of Minnesota, County of Hennepin, District Court, Fourth Judicial District as a part of its settlement with the Minnesota Attorney General's Office;
- d. annuities eligible for the remediation process conducted in connection with the Stipulation and Waiver agreement of February 14, 2008 with the California Department of Insurance;
- e. annuities as to which the annuity owner is or was personally represented by counsel of their choice in an individual or class action lawsuit against Allianz alleging point of sale misrepresentation, (this exclusion from the remediation process shall not include members of the *Mooney* and *Negrete* classes other than the named plaintiffs in those two cases); and
- f. annuities with respect to which Allianz has previously provided or offered the annuity owner rescission, which offer included the return to the annuity owner of all premium paid to Allianz for that annuity, whether such offer was a result of a complaint or otherwise.

2. Review Process

The Review Process shall assess whether each sale of a Remediation Annuity was appropriate by determining: (1) whether there was a misrepresentation or omission by Allianz, or the sales agent in the process of the solicitation, sale, and/or issuance of the Remediation Annuity; and (2) whether the Remediation Annuity was unsuitable for the original owner under Allianz's procedures or applicable law for the state of issue at the time of the issuance of the Remediation Annuity. The Review Process shall be conducted in the following manner:

a. Reviewers

- i. Allianz shall train and supervise Reviewers to implement and administer this Remediation Plan accurately and fairly. Reviewers shall review the Notification Letters that are timely returned by Remediation Annuity owners, and any documents and information submitted by Remediation Annuity owners in connection therewith.
- ii. Allianz shall prepare and present a training session for the Reviewer(s), and shall provide reasonable supervision and support for the Reviewer(s) throughout the duration of the Review Process described in this Remediation Plan.
- iii. In the event of a change in the Reviewer(s), each new Reviewer shall be given similar training prior to commencing the performance of his or her duties.

b. Identification of Remediation Annuities

- i. All Remediation Annuity complaints previously coded by Allianz as misrepresentation and/or suitability complaints shall be automatically included in such Review Process.
- ii. Allianz also shall conduct a manual review of all additional Complaints relating to Two-Tier Annuities issued during the Review Period which were not coded as misrepresentation and/or suitability complaints in an attempt to identify any other claims of misrepresentations/omissions and/or alleged unsuitability.
- iii. In addition, Allianz will review all Complaints that any Participating State insurance department forwards to Allianz.
- iv. All Complaints determined to involve claims of misrepresentations/omissions and/or unsuitability shall be included in the Review Process as part of the Remediation Annuities.

c. Mailing of Notification Letter

- i. Allianz shall verify the addresses of Remediation Annuity owners through the U.S. Postal Service's National Change of Address Database.
- ii. Allianz shall send owners of those Remediation Annuities identified as having been the subject of a Complaint involving a claim of misrepresentation or omissions and/or suitability a Notification Letter substantially in the form of Exhibit E hereto, advising them that Allianz is further reviewing Complaints and

that owners may elect to participate in the Review Process and to submit additional information to be considered as part of that review.

- iii. If a Notification Letter is returned with a forwarding address, Allianz shall promptly remail it to the forwarding address.
- iv. If a Notification Letter is returned without a forwarding address, Allianz shall make reasonable attempts to find a correct address, including the Accurint verification service, and if an updated address is obtained, promptly remail the Notification Letter.

d. Annuity Owners' election to participate in Review Process

- i. The requirements for electing participation in the Review Process and for providing information in connection therewith shall be as set forth in this Remediation Plan and the Notification Letter.
- ii. Owners who wish for their complaint to be included in the Review Process shall complete the Notification Letter in the specified manner and return it to Allianz postmarked within sixty (60) days of the response deadline noted in the Notification Letter, along with any additional information to be considered in the Review Process.
- iii. Remediation Annuity owners who are not natural persons and/or persons who are acting in a representative capacity on behalf of a Remediation Annuity owner shall provide evidence of authority to

act with regard to the Annuity within sixty (60) days of receipt of the Notification Letter.

- iv. If a returned Notification Letter is not properly completed and signed, or if the signature on the returned Notification Letter is not that of the addressee, and the signer does not submit with the returned Notification Letter proof of his/her authority to act with respect to the Remediation Annuity in question, Allianz shall notify the addressee of the Notification Letter of such deficiencies and allow sixty (60) days to cure the deficiency. Absent the submission of appropriate evidence of authority to act with respect to an annuity by the end of the 60 day cure period, only the addressee of a Notification Letter may participate in the Review Process with respect to a Remediation Annuity.

e. Review of Remediation Annuity Complaints

- i. Reviewers shall review Complaints and any documents and information submitted by Remediation Annuity owners who timely and validly elected to participate in the Review Process, pursuant to the Evaluation Factors and Evaluation Guidelines set forth in Sections V.3. and V.4. of this Agreement.
- ii. The Review File for each Remediation Annuity shall include: (1) all documents and other materials concerning a Remediation Annuity maintained in the ordinary course of business by Allianz or received from its agents; (2) any materials timely and properly

submitted by a Remediation Annuity owner; and (3) any materials gathered by Allianz or Participating States in response to or relating to the Remediation Annuity owner's submissions.

- iii. Based solely on the Review File, the Reviewer shall find the complaint either "Justified" or "Not Justified" in accordance with the Evaluation Factors, Evaluation Guidelines, the materials described above for the Review File and other applicable provisions of this Remediation Plan.
- iv. The Reviewer shall promptly give written notification of such determination to the owner substantially in the form of Exhibit F and Exhibit G hereto, respectively.
- v. Allianz shall maintain a complete copy of the materials considered by Reviewer(s) and the conclusions reached by the Reviewer(s), which shall be made available to the Auditor as defined in Section V.6. herein.
- f. Neither the Reviewer nor the Auditor shall have the authority to deviate from the Evaluation Guidelines and Evaluation Factors when considering a complaint or to award any relief different in any respect or to any degree from that specified herein. For complaints determined by the Reviewer to be "Justified," Allianz shall provide the owner the option to rescind the subject annuity in accordance with the terms and conditions of this Remediation Plan. Except only as expressly provided herein, Allianz's categorization of Annuities as Remediation Annuities, the Review Process

with respect to such Remediation Annuities, and all determinations made in connection therewith shall be final and binding, and neither owners of Remediation Annuities, nor their successors and assigns, nor any other party-in-interest or Participating State, may appeal or seek review or vacatur of or otherwise challenge such matters or determinations in any court or administrative proceeding, including, without limitation, any proceeding under any applicable federal or state law, rule, or procedure.

- g. Allianz shall pay the fees and costs associated with the Review Process and this Remediation Plan, including all services provided by the Reviewer(s), the Auditor and all postal charges.
- h. Allianz will make reasonable efforts to complete the Review Process described herein no later than 24 months after the Effective Date of the Agreement, to the extent practicable given the volume of Remediation Annuity complaints and supplemental information provided by owners in connection with the Review Process set forth herein.

3. Evaluation Guidelines for Evaluating Complaints

Each Review File that is part of the Review Process shall be evaluated based on the information accumulated for the Review File as described above. The complaints shall be deemed "Justified" or "Not Justified" in accordance with the Evaluation Guidelines, Evaluation Factors, and other applicable provisions of this Agreement. Complaints shall be deemed "Justified" or "Not Justified" by applying the following Evaluation Guidelines:

- a. A complaint shall be deemed "Justified" where the information, considered as a whole, as weighed against the Evaluation Factors, supports the complaint by a preponderance of the evidence, (which shall mean for purposes of the Review Process a complaint in which the persuasive and convincing force of all of the information, considered in light of the

Evaluation Factors, supports the complaint) including a preponderance of the evidence of one or both of the following: (a) the Contract was unsuitable for the original owner under the circumstances under applicable insurance laws and regulations or Allianz's business practices as of the date of issuance of the Remediation Annuity contract in the jurisdiction where the Contract was sold; or (b) there was a misrepresentation or omission by the agent and/or Allianz in connection with the solicitation, sale or issuance of the Remediation Annuity.

- b. A complaint shall be deemed "Not Justified" where the information, considered as a whole, fails to support either the misrepresentation or omission, or the unsuitability assertions in a complaint by a preponderance of the evidence.

4. Evaluation Factors

The Evaluation Factors set forth below shall be considered in the review and evaluation of Remediation Annuity complaints, as may be applicable for each Annuity. The Reviewer(s) shall weigh each of the Evaluation Factors set forth below according to the facts and circumstances of each Remediation Annuity complaint. All relevant facts shall be considered as a whole and no single Evaluation Factor shall be dispositive of a particular complaint.

- a. The original owner's age when the Remediation Annuity was issued.
- b. The annuitant's age when the Remediation Annuity was issued.
- c. At the time the Remediation Annuity was purchased, the original owner's monthly income, general financial condition, and requirements for access to the funds used to purchase the Remediation Annuity.
- d. The original owner's sophistication and experience regarding annuity products and other financial products and investments.
- e. Whether, before buying the Remediation Annuity, the original owner had previously owned another annuity (including another Allianz annuity), and if so, whether such annuity was a bonus annuity product, whether the original owner surrendered such other annuity, and whether surrender or withdrawal charges were incurred on any such surrender(s).
- f. The reasons and purposes for which the original owner purchased the Remediation Annuity.
- g. Whether, during the sale of the Remediation Annuity, there was a misrepresentation or omission made to the Annuity purchaser regarding

the bonus feature of the Annuity, including the amount of the bonus and how that amount was credited, earned and received.

- h. If the Remediation Annuity included a bonus feature and was replacing another annuity or insurance or investment product, whether the sales agent marketed the bonus as a means of offsetting any surrender or withdrawal charges incurred in replacing such other annuity or insurance or investment product, and if so, the amount of the bonus relative to the surrender or withdrawal charges incurred on the replaced product.
- i. Whether the original owner incurred withdrawal or surrender charges or other charges or penalties in liquidating other assets, or in transferring funds from other assets or investments, to fund in whole or in part the purchase of the Remediation Annuity, and if so, the amount of such charges or penalties.
- j. Whether the original owner received advice regarding the Remediation Annuity from a financial advisor, investment advisor, estate planning advisor, attorney, accountant, other professional, or family member in connection with the purchase of the Remediation Annuity and, if so, the substance of that advice and the role such advice played in the decision to purchase the Remediation Annuity, and whether any such person was present at any sales presentation relating to the Remediation Annuity.
- k. The pattern of any withdrawals or attempted withdrawals from the Remediation Annuity.
- l. The length of time the Remediation Annuity was held in deferral and/or the amount of time remaining in the deferral period required to avoid surrender charges or the payment of a lower value under the Remediation Annuity.
- m. If the Remediation Annuity was surrendered, the reason for the surrender.
- n. The amount of surrender charges (if any) incurred by the owner under the Remediation Annuity.
- o. Whether it was explained to the original owner at the time he/she decided to purchase the Remediation Annuity how the withdrawal features of the Remediation Annuity, including the surrender charges, actually worked.
- p. Whether it was explained to the original owner at the time he/she decided to purchase the Remediation Annuity that the Remediation Annuity was designed by Allianz as a long-term income product.
- q. Any indication provided by the original owner in connection with the purchase of the Remediation Annuity with respect to the financial objectives for the annuity purchase and the original owner's intention with

respect to the timing and amount of withdrawals or other payments to be taken from the Remediation Annuity.

- r. If a suitability review was required under applicable law or Allianz's business practices as of the date of issuance in the jurisdiction where the Annuity was sold, the extent to which Allianz, and/or agents conducted a suitability review in connection with the Remediation Annuity purchase which included: (1) a review of the original owner's financial needs or objectives as expressed on a suitability form (or otherwise), and specifically whether the objectives stated by the original owner reasonably might be achieved by purchasing a Two-Tier Annuity; and (2) the extent to which such suitability review included the discussion or consideration of the original owner's financial needs and objectives and/or the discussion or consideration of other insurance or investment products.
- s. If a complaint asserts that a Remediation Annuity was unsuitable due to information or circumstances made known or readily available or reasonably evident to the sales agent (e.g., extremely advanced age), the extent to which the sales agent's knowledge of such information or circumstances would make a suitability assessment appropriate even in the absence of an applicable state law or regulation or company business practice requiring a suitability assessment in such circumstances.
- t. Whether, prior to making the decision to purchase the Remediation Annuity, the original owner considered purchasing any other annuity product, and the information received and considered by the original owner relating to such other annuity product.
- u. Whether the original owner received an Allianz brochure in connection with purchasing the Remediation Annuity, and if so, when.
- v. Whether the original owner received a Statement of Understanding in connection with his/her Remediation Annuity purchase, and if so, when it was received by the original owner and whether and when such Statement of Understanding was signed by the original owner.
- w. Any other written disclosures or other documents received and/or signed by the original owner before making the decision to purchase the Remediation Annuity or otherwise in connection with the purchase of the Remediation Annuity.
- x. The recollection of the original owner, the agent, or others who have personal knowledge of the Remediation Annuity sale process relating to any sales presentation, explanation, or other information provided to the original owner about the Remediation Annuity, or any of its relevant features, before the original owner made the decision to purchase the Remediation Annuity.

- y. The degree to which the original owner relied on any alleged misrepresentations or omissions by the agent in making the decision to purchase the Remediation Annuity, the substance of any such misrepresentation or omission, and the role the owner's reliance played in the decision to purchase the Remediation Annuity.
- z. The degree to which the original owner relied on any statements made by Allianz in a product brochure, or any other statements, promises, or representations made by Allianz or the sales agent in making the decision to purchase the Remediation Annuity; and the nature of such statements, promises, or representations; and the role the owner's reliance played in the decision to purchase the Remediation Annuity.
- aa. The degree to which the original owner relied on any statements made by or written materials provided by persons other than Allianz or an Allianz agent in making the decision to purchase the Remediation Annuity; and the nature of such statements, promises, or representations; and the role the owner's reliance played in the decision to purchase the Remediation Annuity.
- bb. The nature and extent of any loss or damage suffered or incurred by the purchasing and/or subsequent owner(s) as the result of (a) any misrepresentations or omissions by the sales agent or Allianz in connection with the solicitation, sale or issuance of a Remediation Annuity, or (b) a Remediation Annuity's purported unsuitability.
- cc. Whether the complaining owner has personal knowledge of the facts and circumstances covered in the evaluation factors set forth above.
- dd. Whether Allianz sent the owner annual statements concerning the Remediation Annuity and the number of years such statements were sent, if the content of such annual statements are relevant to the substance of the complaint.

5. Relief For "Justified" Remediation Annuity Complaints

a. Offer to Rescind

Owners whose complaints are deemed "Justified" by the Reviewer(s) shall receive a notification substantially in the form of Exhibit F of this Agreement advising that their complaint was deemed "Justified" and offering such owners the right to rescind their Remediation Annuity and receive a refund of the total funds paid into the Remediation Annuity, less any funds removed. The amount to be paid shall be (a) the sum of all additions to the Annuity, including

premiums, loan repayments and any such other additions as may be applicable (but excluding in any case any premium bonuses credited under the Annuity) less (b) the sum of all deductions from the Annuity including withdrawals, required minimum distribution payments, loans (including any unpaid interest accrued thereon), partial and full surrender payments (including any federal or state tax withheld from such payments), annuity payments and any such other deductions as may be applicable. All additions and deductions are accrued at an annualized interest rate of 3.0% from the date received or disbursed, as applicable, to the date of the final settlement payout calculation, which shall be a reasonable time prior to the mailing of the Justified notification letter.

Owners wishing to accept an offer to rescind a Remediation Annuity shall accept such offer by responding in the manner and within the time period specified in the notification provided to such owners. Offers to rescind Remediation Annuities owned by joint owners must be accepted in writing by all surviving joint owners by signing the form sent to them. The failure of a Remediation Annuity owner to respond in the manner and within the time period specified in the notification provided to such owner shall result in the automatic revocation of such rescission offer and the inability of such owner to rescind the subject Remediation Annuity pursuant to this Remediation Plan.

b. Monetary Payment

For all Remediation Annuities as to which an owner elects rescission pursuant to the foregoing, Allianz shall effectuate rescission of the Remediation Annuity and payment of the appropriate funds to the owner thereof within sixty (60) days of the date the owner's relief implementation decision is received by Allianz.

The payments required to be made to an owner pursuant to Section V.5, will be made payable to the current owner(s) of the subject Remediation Annuity regardless of whether the

Remediation Annuity was previously owned jointly or by one or more different owners; provided, however, that in the event of the death of any such owner following the Categorization Date for a Remediation Annuity, the payment may be made payable to the owner's estate or to a surviving joint owner upon presentation of proper proof of death and evidence of authority to act on behalf of the estate.

6. Audit by Independent Party

The determinations of the Reviewer(s) pursuant to the Review Process set forth in this Remediation Plan shall be subject to audit by an independent auditor, with expertise in annuity sales and sampling methodologies ("Auditor") chosen by the Lead States. The Auditor shall submit a written plan for the audit work to Allianz and the Lead States, which shall include sampling methodology and audit size. The sampling methodology shall be consistent with an industry standard sampling process. Allianz may submit objections to the Auditor's proposed plan. The Lead States shall consider any such objections submitted by Allianz and approve or disapprove the proposed plan, or require modifications to the proposed plan as they deem appropriate.

Allianz will provide the Auditor the complete Review File for each annuity selected for review by the Auditor and a document containing the conclusions reached by the Reviewer(s) with respect to the complaint relating to such annuity.

The Parties shall work in good faith to resolve any issues or concerns raised in the course of any audit performed in connection with this Section. In particular, if the Auditor, upon the review of a Review File selected as part of the review sample, is of the opinion that the determination of the Reviewer(s) with respect to that Review File is not supported by the documented facts and the review process, guidelines and factors set forth in this Article V, the Auditor will work with the Reviewer to resolve the disagreement.

In the event the disagreement between the Auditor and Reviewer cannot be resolved, the Auditor and the Reviewer will select an independent third party to review the Review Files and make a final binding decision.

VI. REQUIRED REPORTS AND MONITORING

Allianz will provide written implementation reports ("Reports") providing a description of its activities and progress in the implementation of the Corrective Action and Confirmation Plan and the Remediation Plan set forth in this Agreement, such Reports to be due to the Lead States 6, 12, 18 and 24 months after the Effective Date. The Lead States may submit to Allianz written requests for clarification of the Reports within 60 days of the transmission of the Reports to the Lead States, and Allianz will respond to such requests in writing to the Lead States within 30 days of the receipt by Allianz.

VII. VIOLATIONS AND BREACH OF THIS AGREEMENT

1. If at any time the Participating States or the Lead States believe that Allianz is in violation or breach of any provision of this Agreement, the Lead States shall provide Allianz with written notification of such a position. The written notification must reference the specific section(s) of this Agreement with which it is believed Allianz is not in compliance, and shall specify facts describing such alleged failure to comply in sufficient detail that Allianz can assess the notification and take corrective steps, if necessary and appropriate, to correct any such deficiencies or breaches of this Agreement.

2. After receiving such notifications, Allianz shall use commercially reasonable efforts to cure such violation or breach of this Agreement as soon as reasonably practicable.

3. The Participating States and Allianz shall make reasonable efforts to amicably resolve any disputes regarding any alleged violation or breach of this Agreement. If such violation or breach is not remedied within ninety days following receipt by Allianz of the written

notification provided for in Section VII.1. of this Agreement, the Participating State(s) may seek administrative and/or judicial enforcement of this Agreement, seeking remedies consistent with the provisions of this Agreement.

VIII. MONETARY PENALTY AND ALLOCATION TO PARTICIPATING STATES

Allianz will pay a Monetary Penalty in the amount of \$10 million. Neither the aggregate amount nor any part of this payment is allocable to any particular conduct, and the payment is in consideration for and resolution of the Review described herein. The portion of the Monetary Penalty due to each Participating State will be calculated as follows:

- a. Source Data: Contract count will be derived from information filed by Allianz with the NAIC for Allianz Life Insurance Company of North America for calendar years 2001 through 2008.
- b. Grand total for all Participating States: Each Participating State's total Annuity contracts will be added together to arrive at a grand total for all Participating States.
- c. Pro rata percent for each Participating State: Each Participating State's total of Annuity contract count will be divided by the grand total for all Participating States calculated as provided in the immediately preceding Section VIII.b. of this Agreement to arrive at a *pro rata* percent for each Participating State.
- d. Three Tier Penalty distributions: All Participating States have been divided into three distribution tiers. These tiers have been developed based upon the total contract count. The bottom tier represents all Participating States with fewer than 1,000 contracts. The middle tier represents all Participating States with a contract count between 1,000 and

2,000. The top tier represents all Participating States with a contract count greater than 2,000.

- e. Each Participating State placed in the bottom and middle tiers will receive a static payment.
- f. Pro Rata Allocation of Monetary Penalty due each Participating State in the top tier: To arrive at the Pro Rata Allocation of Monetary Penalty due each Participating State placed in the top tier, the total contract count for each Participating State from the "Source Data" described in Section 1.a. above will be multiplied by the Penalty Multiplier to determine each Participating State's Penalty Amount.
- g. Payment of the Monetary Penalty shall be made by Allianz to the Participating States as directed by the Participating State within ten days of the Effective Date.
- h. The chart listing all Participating States and their payment amount is attached as Exhibit H.

IX. RELEASE, WAIVER AND FORBEARANCE

1. This Agreement resolves and releases completely and with finality Allianz from any and all violations of any laws, regulations, bulletins or rules of general applicability relating to the matters within the Scope of Review, including but not limited to any other demands, fines, sanctions, damages, assessments, penalties, orders, disciplinary, legal, regulatory or enforcement actions, examinations, inquiries, subpoenas or investigations or other proceedings or actions of any kind by any state (collectively referred to as a "Proceeding" or "Proceedings") relating to all issues, matters, procedures, processes, documents, data and conduct within the Scope of the Review and is in lieu of any Proceeding which could have been taken by any Participating State

relating to issues, matters, procedures, processes, documents, data and conduct within the Scope of the Review.

2. The Participating States agree to discontinue any and all pending Proceedings relating to any matter within the Scope of the Review.

3. The Participating States agree that this Agreement precludes any and all further Proceedings relating to the Scope of the Review, and therefore the States agree not to commence, revive or maintain any such Proceeding relating to Allianz that relates to the Scope of the Review.

4. This Agreement is not intended to, nor may it be construed to, otherwise limit or constrain the authority of a Participating State to investigate and take action against Allianz, its producers or other representatives, or third parties, as provided by applicable law or regulation, including restitution, rescission or other remediation as permitted by applicable law, with regard to a consumer, provider or third-party complaint relating to issues or matters not within the Scope of the Review.

X. GENERAL PROVISIONS

1. Execution of this Agreement

This Agreement may be signed in multiple counterparts, each of which shall constitute a duplicate original, but which taken together shall constitute one and the same instrument.

2. Effective Date of this Agreement

This Agreement shall not become valid and effective unless and until: (1) this Agreement is executed and delivered by Allianz and the Lead States to each other; and (2) thirty-one (31) states specifically named as Participating States or Lead States in paragraph II. 10. become a party to this Agreement by delivering an executed joinder in the form of Exhibit A to Allianz, which states collectively represent 90% of the total premium paid to Allianz for the

Annuities in the Participating States and the Lead States. The date on which the requirements in the preceding sentence are first satisfied shall be the Effective Date of this Agreement, and the Lead States and Allianz will execute a document memorializing such Effective Date to provide clarity in determining deadlines based upon such Effective Date. If the conditions set forth above for a valid and effective Agreement have not occurred within forty-five (45) calendar days after the Execution Date (or such longer period as the Lead States and Allianz may agree in writing), this Agreement shall be null and void and shall have no further effect.

To become a party to this Agreement, a Participating State shall execute and deliver to Allianz (with a copy to the Lead States), through a duly authorized representative, a joinder to this Agreement, in the form of Exhibit A hereto, within 45 calendar days after the Execution Date. The Lead States and Allianz, by written agreement executed by each of them, may extend the signing period for Participating States to execute a joinder to this Agreement. Nothing in this Agreement shall be construed to require any jurisdiction to execute a consent order if such jurisdiction elects instead to merely sign a joinder to this Agreement. However, if a Participating State finds that, under applicable state law, regulation or procedure, the preparation and execution of a consent order is necessary to carry out the terms of this Agreement, such an order shall be satisfactory to Allianz if it:

- a. incorporates by reference and attaches as an exhibit a copy of this Agreement;
- b. expressly adopts and agrees to the provisions of this Agreement; and
- c. includes only those other terms that may be legally required in the jurisdiction of the applicable Participating State to adopt and agree to the provisions of this Agreement.

It is the intention of the Parties that this Agreement shall not, and does not, confer any rights upon any persons or entities other than the Participating States and Allianz. There are no third-party beneficiaries to this Agreement.

3. Binding Agreement

Each Party represents and warrants that the person executing this Agreement on behalf of each Party has the legal authority to bind that Party to the terms of this Agreement.

4. Entire Agreement

This Agreement, including the Exhibits to this Agreement, the joinders executed by the Participating States and any and all related Consent Orders issued by a Participating State, if any, set forth the entire Agreement among the parties with respect to its subject matter and supersede all prior agreements, arrangements or understandings (whether in written or oral form) between Allianz and the Lead States or a Participating State.

5. Modifying this Agreement

- a. This Agreement, except for the provisions of Sections IV, V and VIII, may be amended by the Lead States and Allianz in writing without the consent of any other Participating State. Sections IV, V and VIII of this Agreement may be amended only with the written agreement of Allianz, the Lead States and each of the Participating States. All amendments to this Agreement shall not be effective unless they are in writing and signed by all Parties that are required to consent and agree to such amendments.
- b. The Participating States agree to consider modifications to this Agreement requested by Allianz if such modifications do not result in loss or damage to consumers or result in a violation of applicable law, are predicated upon a change or circumstances, or if a provision of this Agreement places

Allianz at a material competitive disadvantage. The consent of the Participating States to such requested changes shall not be unreasonably withheld.

- c. Notwithstanding any other provision of this Agreement, this Agreement shall not be changed or modified in any way (including, but not limited to, changes to corrective action, remediation, fines or penalties) to accommodate the requests or interests of any additional state that becomes a Participating State and is not listed in the definition of Participating State in Section V.12. of this Agreement.

6. Governing Law

Any action or proceeding to enforce the provisions of this Agreement brought by any Participating State shall be governed by the laws and regulations of such Participating State. In all other respects, this Agreement shall be governed by, and interpreted in accordance with, the laws of the State of Minnesota, without regard to the law of any other state whose law might otherwise apply under Minnesota conflict or choice of law principles.

7. Implementation of this Agreement

The Parties, their successors and assigns, and their attorneys undertake to apply and implement the terms of this Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Agreement.

8. Severability

In the event that any provision of this Agreement is held invalid by a court of competent jurisdiction under any particular jurisdiction's applicable law as it is relevant to a Participating State, such invalid portion shall be deemed to be severed and invalid only in and with respect to

that jurisdiction, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.

9. No Indemnification

Allianz shall not seek or accept, directly or indirectly, indemnification pursuant to any insurance policy, with regard to any or all of the amounts payable pursuant to this Agreement.

10. Tax Consequences of the Remediation Relief

No opinion concerning the tax consequences of any relief offered by Allianz as part of the Remediation Plan is given or will be given by Allianz or Allianz's Counsel, nor are any representations in this regard made or any warranties made by virtue of this Agreement or its implementation. Communications with participants in the Remediation Plan shall direct participants in that process to consult their own tax advisors regarding the potential tax consequences of the Remediation Plan, including any payments, or credits provided pursuant to that Plan, and any tax reporting obligations they may have with respect thereto. The tax obligations of participants in the Remediation Plan are the sole responsibility of such participants, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual participant. Allianz may make filings regarding this Agreement and any relief or benefits provided by Allianz pursuant to the Remediation Plan with tax or other authorities under applicable laws that it reasonably believes to be appropriate or necessary.

11. Confidential Information

- a. The Parties and their counsel agree that the information made available to them throughout the course of the Review is confidential, may contain information that is subject to state investigative and examination confidential records laws, privacy laws, legal privilege or trade secret

protection. All documents, data and other information, including but not limited to responses to Review requests, examination working papers, third party models or products, complaint logs, and copies thereof, created, produced or obtained by or disclosed to the Lead States or the examiners by Allianz in the course of or relating in any way to the Review shall be confidential and privileged to the extent permitted by applicable law, including any applicable evidentiary privileges.

- b. No waiver of any applicable privilege or claim of confidentiality in the documents, materials or information shall occur as a result of disclosure to the Lead States or the examiners during or in activities related to the Review.
- c. The Parties and their counsel acknowledge that the information provided by Allianz in the course of the Review is hereby designated as confidential by Allianz. Such information was made available on pursuant to state investigative and examination confidential records laws. This shall not limit the Parties' ability to use or disclose such information to the extent it is necessary to implement this Agreement.
- d. Nothing in this Agreement is intended to, nor shall it, preclude Signatory Regulators from disclosing the results of compliance with the Agreement to other State Departments of Insurance.

12. Timing Issues

- a. The Lead States and Allianz may mutually agree, in writing, to any reasonable extensions of time that might become necessary or appropriate

to carry out the provisions of this Agreement, and any such agreements shall be binding upon the other Participating States.

- b. All time periods set forth in this Agreement shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a holiday, in which event the period shall run until the end of the next day that is not one of the aforementioned days. As used in this Agreement, "holiday" includes New Year's Day, Birthday of Martin Luther King, Jr., Washington's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day and any other day appointed as a holiday by the President or the Congress of the United States.

13. Non-Waiver of Performance Duties

The failure of the Lead States or the Participating States at any time to require the strict performance by Allianz of any of the terms, provisions or conditions hereof shall in no way affect the right thereafter to enforce the same, nor shall the waiver by the Lead States or the Participating States of any breach of any terms, provisions and conditions hereof be construed or deemed a waiver of any succeeding breach of any term, provision or condition of this Agreement.

14. Terms of Annuity Contracts

Except as may be necessary to afford relief in the Remediation Plan, nothing in this Agreement shall be interpreted to expand, restrict, condition or alter in any way the contractual terms of any insurance policy or annuity contract issued by Allianz.

15. Waiver of Certain Administrative Rights

Allianz understands and agrees that by entering into this Agreement, Allianz waives any and all rights to notice, hearing and appeal respecting the Agreement under the applicable laws of the Participating States, except as necessary to implement and enforce this Agreement.

16. Notices

Any notices required to be provided by Allianz under this Agreement to the Participating States shall be provided by mailing or e-mailing such notices to the Commissioners (or equivalent authorities) of the Lead States, or their designees. Notice to Allianz under the terms of this Agreement shall be provided by the Lead States jointly by mailing or e-mailing to Allianz's president at the address indicated in the most recent statutory annual financial statement filed with the State of Minnesota.

17. Nonwaiver of defenses and positions

By negotiating and executing this Agreement, Allianz does not intend to, and does not, waive any defense, claim, argument or position it may take with respect to any pending or future lawsuit, arbitration, regulatory matter or consumer complaint, including but not limited to the preclusive effect of prior lawsuits, settlements or individual remediation or consumer complaint-related agreements.

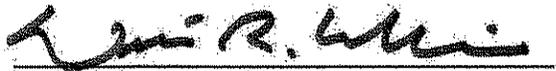
18. No limitation of examinations

Nothing in this Agreement shall be construed to limit the ability of any Participating State to examine Allianz's books and records as permitted or required by applicable law.

SIGNATURE PAGES FOLLOW

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

I, Walter R. White, hereby affirm that I am the President and Chief Executive Officer of Allianz Life Insurance Company of North America and have the authority to execute this Agreement on behalf of Allianz Life Insurance Company of North America.


Walter R. White

Date: June 22, 2012

I, Gretchen Cepek, hereby affirm that I am the Senior Vice President and General Counsel of Allianz Life Insurance Company of North America and have the authority to execute this Agreement on behalf of Allianz Life Insurance Company of North America.


Gretchen Cepek

Date: June 22, 2012

STATE OF FLORIDA - FLORIDA OFFICE
OF INSURANCE REGULATION

BY: _____
Kevin McCarty, Commissioner

DATE: _____

STATE OF IOWA - IOWA INSURANCE
DEPARTMENT

BY: _____
Susan E. Voss, Commissioner

DATE: _____

STATE OF MISSOURI - MISSOURI
DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGULATION

BY: _____
John M. Huff, Director

DATE: _____

STATE OF MINNESOTA - MINNESOTA
DEPARTMENT OF COMMERCE

BY: _____
Mike Rothman, Commissioner

DATE: _____

EXHIBIT A

**PARTICIPATING STATE JOINDER TO
ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA
REGULATORY SETTLEMENT AGREEMENT**

On behalf of the [State or Commonwealth] of _____, I,
_____, being duly authorized, hereby adopt, agree,
approve, and join in the Regulatory Settlement Agreement with Allianz Life Insurance Company
of North America (NAIC #90611), pursuant to the terms of that Agreement. The [State or
Commonwealth] of _____ and all of its agencies, instrumentalities and
employees, are hereby bound to the terms and conditions of that Agreement for all purposes,
according to the terms and conditions of that Agreement.

Dated this _____ day of _____ 2012.

BY: _____
(Signature)

(Name of Insurance Regulatory Agency)

(Typed or printed Title)

EXHIBIT B

NEW ANNUAL REPORT TEMPLATE FOR TWO-TIER ANNUITIES

[SEE NEXT PAGE]



Allianz Life Insurance Company
of North America
PO Box 59060
Minneapolis, MN 55459-0060
800.950.1962

20xx Annual Contract Statement
for your Allianz MasterDex 10 Plus Annuity

JANE MARIE DOE
4444 GRINCHLEIGH AVE
WHOVILLE, OH 12345-6789

We are pleased to provide this annual statement for your Allianz MasterDex 10 Plus Annuity. Your contract values as of your contract anniversary date are shown below. These values are based on your prior contract year.

Annuitant	Contract date	Contract number	Plan type
JANE MARIE DOE	08/19/2008	98765432	IRA

Detail for contract year beginning xx/xx/20xx and ending xx/xx/20xx

Annuitization Value

The Annuitization Value is the greater value that is received when a qualifying annuity option is selected.

Beginning Annuitization Value	\$ _____	The Annuitization Value is equal to the initial premium, plus the bonus increased by any Interim Interest Account additions and other adjustments, decreased by partial surrenders and systematic withdrawals. The Annuitization Value is available only if this policy is annuitized after the fifth policy year for a period of at least 10 consecutive years.
Plus Credits	\$ _____	
Less Charges	\$ _____	
Ending Annuitization Value	\$ _____	
Annualized increase in Annuitization Value over premium (including 100% of the bonus amount and index and interest credits) less withdrawals	_____ %	Please refer to your contract for more specific information on how to receive the highest value possible.

Cash Surrender Value

The Cash Surrender Value is the amount available to you should you select a lump-sum payment from your contract prior to the expiration of the deferral period, minus applicable charges or loan balances.

Beginning Cash Surrender Value	\$ _____	The Cash Surrender Value is equal to 87.5% of premium paid minus any withdrawals, all accumulated at 1.5% interest compounded annually. The Cash Value does not include premium bonus or any interest linked to any indexes. Under no circumstances will the Cash Value be less than the Guaranteed Minimum Value. The Cash Value will be paid if annuitization payments begin prior to the end of the fifth policy year; annuitization payments are made for less than 10 consecutive years or the policy is surrendered in one lump sum payment.
Ending Cash Surrender Value	\$ _____	
Loan Balance	\$ _____	

Death Benefit

The Death Benefit is the greater of (1) the Cash Surrender Value or (2) premium paid less withdrawals, except that if the beneficiary elects to receive the Death Benefit as an annuity over at least five consecutive years, the Death Benefit is the Annuitization Value.

The Allianz Service Center can be reached at 800.950.1962 between the hours of 7am and 6pm Monday through Thursday, and 7am to 5pm on Friday, Central Time. To better assist you, please have your policy number available when you call. Please refer to the Notes and Explanations on Page 3 of this Statement for further information.

Interim Interest account for policy year beginning xx/xx/20xx and ending xx/xx/20xx

TOTAL

Beginning Policy Year
New Current Interest Rate:

The Interim Interest Account has been allocated according to your premium allocation percentages and is reflected in the Reallocated Amount below.

Allocation Detail for Policy year beginning xx/xx/20xx and ending xx/xx/20xx

	S & P 500	Nasdaq-100	Interest Allocation
Beginning Allocation Value			
Allocation Percentage			
Initial Index Value			
Ending Index Value			
Participation Rate			
Monthly Cap Rate			
Annual Index Rate			
Interest Adjustment			
Reallocated Amount			
Ending Allocation Value			

The following pie chart represents your allocated values:

S&P 500 Index Allocation _____
 Nasdaq 500 Index Allocation _____ [insert pie chart graphic]
 Interest Allocation _____

Beginning Contract Year xx/xx/20xx

S&P 500® index allocation

Monthly Cap Rate
Participation Rate

Initial index value

Nasdaq-100 index allocation

Monthly Cap Rate
Participation Rate

Initial index value

Interest Rates:

New current interest rate

If you would like to make changes to your premium allocation percentages, your reallocation percentages, and/or to reallocate your Annuity Value, please complete and return the enclosed reallocation form within 21 days following your policy anniversary. If notice is received after 21 days, changes will not be effective until the beginning of the next policy year.

The Allianz Service Center can be reached at 800.950.1962 between the hours of 7am and 6pm Monday through Thursday, and 7am to 5pm on Friday, Central Time. To better assist you, please have your policy number available when you call. Please refer to the Notes and Explanations on Page 3 of this Statement for further information.

The following table shows the calculation of the sum of Capped Monthly Rates during the past year

Monthly Caps: S&P 500 Index ___%; Nasdaq 100 ___%

Contract month	S&P 500		Nasdaq-100	
	Monthly index rate	Capped Monthly rate	Monthly index rate	Capped Monthly rate
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
	Sum of capped monthly rates (___)%		Sum of capped monthly rates (___)%	
	Annual Index Rate (___)%		Annual Index Rate (___)%	

NOTES AND EXPLANATIONS:

The annual increase in annuitization value is calculated by dividing the sum of any bonus amount, index credits and interest credits credited to the Annuitization Value of the annuity by the total amount of premium paid to Allianz for the annuity.

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The Allianz Service Center can be reached at 800.950.1962 between the hours of 7am and 6pm Monday through Thursday, and 7am to 5pm on Friday, Central Time. To better assist you, please have your policy number available when you call. Please refer to the Notes and Explanations on Page 4 of this Statement for further information.

EXHIBIT C

SHORT DISCLOSURE

[SEE NEXT PAGE]

Allianz MasterDex 10 PlusSM Annuity

Summary Disclosure Statement

This document includes important information to consider before you purchase this Allianz Life Insurance Company of North America annuity. For a more in-depth summary of your MasterDex 10 Plus annuity refer to the Statement of Understanding. The full terms of the annuity are contained in the annuity contract when issued.

This annuity is a long-term product that you can use to save for retirement, to receive lifetime retirement income, or to accumulate values to pass on to beneficiaries or heirs. It is not meant to be used to meet short-term financial goals. **If you fully surrender your annuity, you will lose the amount of the premium bonus, indexed interest, fixed interest and possibly part of your principal.**

If you have questions about this annuity, contact your agent or call Allianz at 800.950.5872.

ABOUT THIS ANNUITY

What kind of annuity is this?

The MasterDex 10 Plus annuity (form number xxxxx) is a deferred fixed indexed annuity. Deferred refers to payouts that start on a future date. This annuity is designed for long-term income. You will receive your premium bonus only if you hold it for at least five years (deferral phase) and then annuitize or take systematic withdrawals for at least ten years (income phase). Using this annuity differently may result in lower payouts to you. For example, if you fully surrender your annuity, you will receive its cash surrender value and will lose your premium bonus, indexed interest, fixed interest and possibly part of your principal.

Does this annuity have a bonus?

Yes, the MasterDex 10 Plus has a premium bonus of a stated percentage of any premium payment(s) you pay into your annuity within the first five years. The bonus amount will be added to the annuitization value of your annuity. Refer to **"Does the Allianz MasterDex 10 Plus Annuity have a bonus?"** section of the Statement of Understanding for additional details. **To receive this bonus, you must keep your contract in deferral for at least five years, and take income over at least ten years. You will not receive the bonus if you surrender your contract.**

How could the value of my annuity grow?

The value of this annuity could potentially grow in two ways: (1) credits based on an interest rate declared by Allianz each year, which will never be lower than the guaranteed minimum rate stated in your annuity contract, or (2) credits based on the performance of the one or more stock market indexes you select. **The crediting rate at which your annuity value grows will change from year to year based upon the crediting options you select, market conditions and the interest rate, caps and spreads set by Allianz.** Available indexes are the S&P 500®, the NASDAQ-100®, the FTSE 100 and a blended index option. This annuity does not participate directly in any stock or equity investments, and you are not buying shares of stock or an index. You may select from several different index crediting methods, which determine the ways in which index credits are applied to your annuity value. Available crediting options include annual point-to-point and monthly sum for the S&P 500®, the NASDAQ-100® and the FTSE 100, and annual point-to-point and monthly average for the blended index option. Annual point-to-point crediting is subject to an annual cap, monthly sum crediting is subject to a monthly cap and monthly average crediting is subject to a spread. A cap is a preset limit on the percentage of index growth credited to your annuity values. A spread is a preset deduction

from the percentage of indexed growth used to calculate the credit to your annuity values. Allianz reserves the right to change the caps and spreads each year, but annual caps will never be less than 1%, monthly caps will never be less than 0.5% and spreads will never be more than 12%. Your selection of different crediting methods may result in a different amount of growth of your annuity in a given year. Your annuity has a participation rate, which determines how much of the percentage of indexed growth for any index option you selected will be used to calculate the interest that is credited to your contract. The participation rate is 100% for the life of your annuity. Keep in mind that the amount of any gains allowed by your participation rate will be subject to any applicable cap or spread.

For further detail about index options, crediting methods, caps and spreads consult your agent or read the Statement of Understanding.

What are the value(s) of my annuity?

Your annuity has three separate values: annuitization value; cash surrender value; and guaranteed minimum value. Access to each of these values depends on when, and how, you take money from your annuity. The **Annuitization Value** equals the premium you paid, plus the premium bonus and any interest credits earned, less any withdrawals you have taken. The **Cash Surrender Value** is equal to 87.5% of the premium you paid, minus any withdrawals, accumulated at 1.5% interest compounded. The cash surrender value does not include the premium bonus amount or additional fixed and/or indexed interest. The **Guaranteed Minimum Value** equals 87.5% of premiums paid, minus any withdrawals, growing at an annual interest rate of no less than 1% nor greater than 3%, depending on your selection of indexed and/or fixed interest allocation options. Please refer to "How will I know the value of my annuity contract?" section in the Statement of Understanding for further details.

What happens to my annuity if I die before annuity payments have begun?

If you die when your annuity is in deferral, your beneficiary(ies) will receive the greater of the contract's annuitization value or its guaranteed minimum value. In either case, they can elect to receive a lump-sum payment or payments over the course of five years (or longer).

WITHDRAWALS AND INCOME

How do I get money from my annuity, and what are the consequences?

After your first contract anniversary you have some options for income or payments. After your sixth contract anniversary you may elect to annuitize or to take systematic withdrawals. You may also surrender your annuity at any time. All of these options are described in more detail in the Statement of Understanding.

What are my withdrawal options after my first contract anniversary?

At any time after your first contract anniversary you have some options to take money from your annuity. These options are no longer available after you elect one of the long-term income options described in the next section. These shorter-term options, which are penalty-free, include:

- a withdrawal of up to 10% of your total premium in a contract year, subject to an aggregate limit of 100% of your total premium, in any year you have not paid premium;
- minimum distributions required to be taken from your Allianz annuity by federal tax laws when you reach 70½ years of age (these distributions will reduce and may eliminate the amount available for other free withdrawals); and
- if you are restricted to a nursing home for 30 out of 35 consecutive days after your first contract anniversary, a payout over five years (not available in Kansas, Massachusetts or New Jersey).

You also may take more frequent or larger withdrawals (which will be subject to penalties) and loans (which will be subject to fees).

What are my withdrawal options after my sixth contract anniversary?

After you keep your contract in deferral for at least five contract years, you can choose to receive a series of income payments based upon the full annuitization value of the annuity through a variety of options, called annuitization.

These longer-term annuity income options include:

- periodic payments for annuitant's life;
- periodic payments for annuitant's life with payments guaranteed for a certain number of years;
- periodic payments for annuitant's life with payments continuing for the life of a survivor annuitant;
- periodic payments of a selected amount;
- periodic payments for a guaranteed period of time; and
- periodic payments of interest only for 10 years followed by a single payment.

Alternatively, you will be able to withdraw money using one of the following options:

- systematic withdrawals of your annuity value; and
- systematic withdrawals of credits earned in prior years.

What are my surrender options?

You may surrender (cancel) the annuity for a single payment of the cash surrender value at any time. This will result in a loss of your premium bonus, indexed interest, fixed interest and possibly a partial loss of principal.

What happens if I take out some or all of the money from my annuity?

Any funds taken from your annuity may be subject to penalties and will reduce the annuity value(s) available to you for future growth, withdrawals or income. Please refer to the "How do I avoid contract penalties and get my contract's full annuitization value?" section in the Statement of Understanding for more detail.

TAXES

How will my annuity and payouts or withdrawals from my annuity be taxed?

Any tax liability on the appreciation of annuity values owned by individuals is deferred until you take money out of the annuity. Any time you take a withdrawal, loan or other payout from your annuity, it may be taxed as ordinary income. There may be tax penalties assessed against you if you: (1) withdraw monies from your annuity before you reach 59½ years of age; or (2) fail to take the minimum distributions required by the federal tax laws with respect to certain annuities after you reach 70½ years old. Please refer to the following sections in the Statement of Understanding for more detail.

- "Are there tax consequences if I withdraw money (or surrender my contract)?"
- "Are there any tax consequences if I exchange, annuitize, transfer ownership, or assign the benefits of my contract?"

OTHER INFORMATION

Changes to your contract

We may change your annuity contract from time to time if required by applicable laws and regulations. If we do, we will tell you about the changes in writing.

What should I know about Allianz?

Allianz's headquarters is in Minnesota and you can contact us at:

Allianz Life Insurance Company of North America

PO Box 59060

Minneapolis, MN 55416-1297

Telephone: 800.950.5872

Information about Allianz, including its annuity products and financial ratings, is available on our web site at <http://www.allianzlife.com>.

EXHIBIT D

REPLACEMENT NOTIFICATION LETTER

Allianz Life Insurance Company
of North America
PO Box 59060
Minneapolis, MN 55459-0060
800.950.1962



[date]

[name]
[address-1]
[address-2]
[city/state/zip]

Re: Policy/contract number XXXXXXX

Dear XXXXXXX:

We recently received notification of your intent to take a distribution from the above referenced policy/contract. Please be advised that you have the right to receive information on your policy/contract values.

Withdrawals or surrenders from your policy/contract, including partial withdrawals/surrenders, may affect policy/contract values. The values that may be affected include the policy/contract's guaranteed elements, non-guaranteed elements, face amount, and/or the surrender value.

If you would like to receive information about your policy/contract values, please contact customer service at 800.950.1962.

You can also access your current policy/contract information by going to our secure website at www.allianzlife.com. If this is your first visit to our website, click on 'register here' and follow the instructions to create your own account.

Thank you for the opportunity to help you reach your financial goals.

Policyholder Benefits
Allianz Life Insurance Company of North America

EXHIBIT E

NOTIFICATION REGARDING RIGHT TO SUPPLEMENT COMPLAINT FILE

Allianz Life Insurance Company of North America

[address 1]

[address 2]

[city/state/zip]

«Name »
«Address»
«City», «ST» «ZIP»

Date: «Mail Date »

Policy Number:

Response Deadline: [60 days from Mail Date]

Dear «Name »:

You have received this notification because you previously submitted a complaint to Allianz in connection with the annuity contract referenced above. Allianz is in the process of further reviewing certain of its customer complaints, including the complaint that you previously submitted relating to the above-referenced annuity contract, to determine whether the actions previously taken with regard to these complaints were appropriate, and would like to afford you the opportunity to participate in that Review Process and to submit additional information in connection with the review of your prior complaint.

If you wish to participate in the Review Process, you must check the appropriate box below, sign and print your name where indicated, and return this letter along with any additional materials you wish to supply to the following address via U.S. Mail postmarked on or before the Response Deadline set forth above:

Allianz Life Insurance Company of North America

Attn: _____

[address 1]

[city/state/zip]

If you do not wish to participate in the Review Process, you may either check the appropriate box below and return this letter to the foregoing address, or simply do nothing. Please indicate your election below:

- I want the annuity contract shown above to be included in the Review Process.
- I do not want the annuity contract shown above to be included in the Review Process.

Signature

Print Name

If you elect to participate in the Review Process, please note that all documents and information you previously submitted in connection with your complaint have been preserved and will be considered by Allianz in connection with this Review Process. However, if you have additional documents or information which you feel are relevant to assessing the merits of your complaint which were not previously provided to Allianz, you may provide those at this time for consideration as part of Allianz's complaint review.

If you have such documents or information that you believe support your complaint which were not previously provided to Allianz, any such materials must be sent with this letter to Allianz at the address set forth above via U.S. Mail postmarked no later than the Response Deadline stated on page 1 of this letter, and any materials postmarked after that date shall not be considered.

You may provide any documents or information you feel are relevant to the assertions you previously made in your complaint to Allianz. You should provide an explanation of the relevance of any materials you elect to submit if their relevance is not self-evident. Any statements provided by yourself or others must be signed by the person making the statement. If you elect not to submit additional materials in support of your complaint, your complaint will be evaluated based upon the information you previously provided to Allianz in connection with your complaint.

Only the current owner of an annuity or someone with authority to act on behalf of the current owner may sign this form. If the person signing this letter is not the addressee of this letter, please explain why you are signing this letter, and enclose written evidence of your authority to make decisions with respect to this annuity on behalf of the owner. The failure to do so will prevent the annuity from participating in this process.

The evaluation of complaints pursuant to the Review Process described above is expected to begin shortly after the Response Deadline set forth above and will proceed as quickly as practicable. However, how long the Review Process will take cannot be determined now because it will depend on the volume of complaints involved, so please be patient.

Should you have any questions, you may contact us at 1-8xx-xxx-xxxx (1-8yy-yyy-yyyy for the hearing-impaired).

Sincerely,

Allianz Life Insurance Company of North America

EXHIBIT F

COMPLAINT REVIEW DETERMINATION NOTIFICATION – “JUSTIFIED”

Allianz Life Insurance Company of North America

[address 1]

[address 2]

[city/state/zip]

«Name»
«Address»
«City», «ST» «ZIP»

Date: «Mail Date»

Policy Number:
Complaint Determination: Justified
Acceptance Deadline: _____

Dear «Name »:

You are receiving this notification in connection with the complaint you previously submitted to Allianz concerning the above-referenced annuity contract. Your complaint has been evaluated by a Reviewer who has determined the complaint to be “Justified.”

Because your complaint was determined to be “Justified,” you are being offered the opportunity to rescind (i.e., cancel) the above-referenced annuity contract for a single cash payment of a full refund of the funds paid into the annuity, less any funds removed. The amount you would receive would shall be (a) the sum of all additions to the annuity, including premiums, loan repayments and any such other additions as may be applicable (but excluding in any case any premium bonuses credited under the annuity) less (b) the sum of all deductions from the annuity including withdrawals, required minimum distribution payments, loans (including any unpaid interest accrued thereon), partial and full surrender payments (including any federal or state tax withheld from such payments), annuity payments and any such other deductions as may be applicable. All additions and deductions are accrued at an annualized interest rate of 3.0% from the date received or disbursed, as applicable, to the date of the final settlement payout calculation.

You are not required to accept this relief for your contract. Accepting this relief award would result in your annuity being cancelled. If you accept this relief for your contract, you will lose the benefit of any account value appreciation since its purchase and the ability to obtain an income stream of payments from this annuity in the future. If you wish to continue your annuity contract in its current status you should do nothing and not accept this relief offer. The tax and other consequences of implementing this relief will depend on your particular circumstances, and you may want to consult with a tax or other advisor before making your decision as to whether to accept this relief offer.

To accept this relief offer, sign the enclosed Settlement Agreement and Release, have your signature notarized and mail the executed document to the following address by U.S. Mail, postmarked not later than the Implementation Deadline shown above:

Allianz Life Insurance Company of North America

Attn: _____

[address 1]

[city/state/zip]

If the annuity has more than one owner, all owners must accept this relief offer by signing a Settlement Agreement and Release. Upon the receipt by Allianz of a properly executed Settlement Agreement and Release signed by each owner of the annuity, Allianz will mail the check for the amount of the relief offer. If the annuity has more than one owner, the check may be made payable jointly to all owners of the annuity.

You should NOT return the enclosed Settlement Agreement and Release if you wish to keep your annuity contract in force as is.

If you have questions about this letter or the enclosed form, you may contact Allianz at 1-8xx-xxx-xxxx (1-8yy-yyy-yyyy for the hearing-impaired).

Sincerely,

Allianz Life Insurance Company of North America

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is made on the date last signed below between Allianz Life Insurance Company of North America ("Allianz Life"), 5701 Golden Hills Drive, Minneapolis, MN 55416, and [Owner Full Name][Owner City, State, Zip Code] ("Releasor").

RECITALS

- A. Allianz Life issued Annuity Policy No. [XXXXXXXXXX] (the "Policy") to [Owner Full Name] as owner of the Policy on [Policy Effective Date].
- B. Upon a further review of the circumstances surrounding the solicitation and sale of the Policy, Allianz Life has determined that sufficient grounds exist for it to offer Releasor a rescission of the Policy in accordance with the terms detailed below.

WHEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged, the parties agree as follows:

1. Upon receipt of this Settlement Agreement and Release signed by Releasor and in consideration for the provisions thereof, Allianz Life will rescind the Policy, which will be deemed surrendered, terminated, null and void, and without force and effect as of that date and will pay to Releasor the sum of \$XX,XXX.XX plus interest at an annualized rate of 3.0% from the date of the calculation until the date payment is made by Allianz Life. Such amount represents (a) the sum of all additions to the Policy, including premiums, loan repayments and any such other additions as may be applicable (but excluding in any case any premium bonuses credited under the Policy) less (b) the sum of all deductions from the Policy including withdrawals, required minimum distribution payments, loans (including any unpaid interest accrued thereon), partial and full surrender payments (including any federal or state tax withheld from such payments), annuity payments and any such other deductions as may be applicable. All additions and deductions are accrued at an annualized interest rate of 3.0% from the date received or disbursed, as applicable, to the date of the final settlement payment calculation.
2. In exchange for the settlement and payment described in paragraph 1 above, Releasor does hereby completely release and forever discharge Allianz Life and its successors, predecessors, heirs, assigns, officers, directors, employees, agents, affiliates and attorneys (hereinafter "Releasees"), from all manner of actions, causes of action, suits, liabilities, debts, sums of money, accounts, bonds, bills, notes, commitments, contracts, controversies, agreements, promises, judgments, claims and demands whatsoever, in law or in equity, known or unknown, which Releasor ever had, now has or may have against Allianz Life and Releasees arising out of or relating to the marketing, issuance, sale, suitability, funding, administration, surrender, redemption, cancellation or rescission of the Policy and/or the matters recited in or represented in this agreement including, without limitation, claims for breach of the implied covenant of good faith and fair dealing, fraud, breach of statutory or fiduciary duty, or negligent or intentional infliction of emotional distress.

3. This release specifically includes any claims or causes of action which Releasor has or may have against [Agent Name] and/or any other persons relating to the Policy and/or the matters recited in or represented in this Settlement Agreement and Release.
4. Notwithstanding paragraphs 2 and 3, this release specifically excludes any claims or causes of action which Releasor has or may have that are part of any certified or putative class action lawsuits pending against Allianz Life, in law or equity, known or unknown.
5. Releasor further covenants and agrees that Releasor will not file or maintain any lawsuit, arbitration, claim or action of any kind Against Allianz Life or Releasees relating in any way to the Policy and/or the matters recited in or represented in this Settlement Agreement and Release.
6. Releasor further covenants and agrees that this Settlement Agreement and Release will be binding upon Releasor's heirs, successor trustees, administrators, beneficiaries, successors and assigns.
7. Releasor further covenants and agrees that Releasor has read the terms of this Settlement Agreement and Release and has had the opportunity to discuss it with an attorney of Releasor's choice, and that Releasor has voluntarily entered into this Settlement Agreement and Release solely in reliance on Releasor's own knowledge, belief and judgment and the advice of Releasor's counsel, if any, and not in reliance on representations made by the parties released or by others on their behalf.
8. Allianz Life and Releasees agree and acknowledge that this Settlement Agreement and Release is the compromise of disputed claims between the parties. For their parts, Allianz Life and Releasees dispute the facts, claims and representations, and deny any liability in connection with the Policy and/or the matters recited in or represented in this Settlement Agreement and Release but agree to the terms of this Settlement Agreement and Release to avoid the cost of litigation and buy their peace.
9. It is further understood and agreed that no withholding of income taxes has been or will be made from any payment made by Allianz Life under this Settlement Agreement and Release, and that Allianz Life has made no representation regarding taxes or tax liability, if any, resulting from said payment. The responsibility to address any tax consequences of said payment is solely the responsibility of Releasor. Further, Releasor agrees that to the extent any tax liability may now or hereafter become due because of the payment made by Allianz Life, such liability will be the sole responsibility of Releasor, and Releasor, not Allianz Life or Releasees, shall pay any and all taxes, penalties or interest, if any which may be determined to be due and payable.
10. This Settlement Agreement and Release may be executed in one or more counterparts, each of which shall be an original as against the party who signed it, but all of which shall constitute one and the same agreement.

11. This Settlement Agreement and Release contains the entire agreement between the parties, and any statement not contained herein is not admissible to establish the basis of this settlement and release.

IN WITNESS WHEREOF, the parties hereto have caused this Settlement Agreement and Release to be duly executed.

_____ Dated _____
[Owner Name]

Subscribed and sworn to before me:
this _____ day of _____, 2012.

NOTARY PUBLIC

Allianz Life Insurance Company of North America

By: _____

Its: _____

Dated: _____

EXHIBIT G

**COMPLAINT REVIEW DETERMINATION NOTIFICATION –
“NOT JUSTIFIED”**

Allianz Life Insurance Company of North America

[address 1]

[address 2]

[city/state/zip]

«Name»

«Address»

«City», «ST» «ZIP»

Date: «Mail Date »

Policy Number:

Complaint Determination: Not Justified

Dear «Name »:

You requested that the complaint you had previously submitted to us concerning the above-referenced annuity contract(s) be included in a Review Process that we have been conducting. Our review of your complaint has now been completed.

As a part of the Review Process, which was prescribed under an agreement between Allianz and state regulators, we evaluated your entire policy file, any information provided by the agent who sold the annuity contract to you and all of the information you submitted to us. Based on that review, we have determined that there are insufficient grounds to justify a refund. As a result, no further action will be taken by Allianz. Please be assured that we made every effort to conduct this review fairly and objectively.

If you have questions about this letter or the determination of the Reviewer, you may contact Allianz at 1-8xx-xxx-xxxx (1-8yy-yyy-yyyy for the hearing-impaired).

Sincerely,

Allianz Life Insurance Company of North America

EXHIBIT H

LIST OF PARTICIPATING STATES AND PAYMENT AMOUNT

[TO BE SUPPLIED BY LEAD STATES]

EXHIBIT A

PARTICIPATING STATE JOINDER TO
ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA
REGULATORY SETTLEMENT AGREEMENT

On behalf of the State of Ohio, I, Mary Taylor, being duly authorized, hereby adopt, agree, approve, and join in the Regulatory Settlement Agreement with Allianz Life Insurance Company of North America (NAIC #90611), pursuant to the terms of that Agreement. The State of Ohio, and all of its agencies, instrumentalities and employees, are hereby bound to the terms and conditions of that Agreement for all purposes, according to the terms and conditions of that Agreement.

Dated this 23 day of aug 2012.

BY: Mary Taylor
(Signature)

Mary Taylor,
Lt. Governor/Director
Ohio Department of Insurance

STATE OF OHIO
DEPARTMENT OF INSURANCE

IN THE MATTER OF:	:	MARY TAYLOR
	:	LT. GOVERNOR/DIRECTOR
	:	
MULTI-STATE MARKET CONDUCT	:	
REVIEW OF ALLIANZ LIFE	:	
INSURANCE COMPANY OF NORTH	:	ORDER ADOPTING
AMERICA NAIC # 90611	:	REGULATORY SETTLEMENT
	:	AGREEMENT

WHEREAS, the Ohio Department of Insurance has regulatory jurisdiction over the business of insurance transacted in this state, including the authority to conduct market conduct examinations pursuant to § 3901.011 of the Revised Code;

WHEREAS, the states of Iowa, Florida, Minnesota and Missouri (collectively, the "Lead States"), conducted a review for the time period of January 1, 2001 through December 31, 2008 focused on fixed annuity products of Allianz Life Insurance Company of North America (hereafter, "Allianz" or the "Company");

WHEREAS, the review encompassed the Company's practices and procedures related to marketing, sales, issuance, suitability and handling of complaints, replacements and surrenders relating to certain Annuities (all capitalized terms are as defined in the regulatory settlement agreement);

WHEREAS, the insurance departments of each of the Participating States desire to enter into an agreement with the Company to resolve questions and issues which arose during the review and to provide certain remedial actions with respect to the Company's annuity sales during the Review Period; and

WHEREAS, the Lead States have entered into a regulatory settlement agreement (the "Agreement") with the Company to resolve the allegations related to the Scope of the Review.

NOW, THEREFORE, IT IS HEREBY ORDERED that the Agreement entered into between the Lead States and the Company is adopted and approved.

IT IS HEREBY FURTHER ORDERED that the Company shall immediately initiate compliance with all terms and conditions of the Agreement and follow all recommendations set forth in the Agreement.

Dated: 8/23/12


Mary Taylor
Lt. Governor/Director