

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA

If you purchased an annuity issued by Allianz Life Insurance Company of North America, a class action lawsuit may affect your rights.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- Linda Mooney and Lieselotte Thorpe, two purchasers of annuities issued by Allianz Life Insurance Company of North America (“Allianz”) have sued Allianz, alleging violation of the Minnesota Prevention of Consumer Fraud Act and unjust enrichment.
- The Court has allowed the lawsuit to be a class action on behalf of all individuals who from February 9, 2000 to May 10, 2007 purchased one of the following annuities from Allianz Life Insurance Company of North America: [Accumulator] Bonus Maxxx, [Accumulator] Bonus Maxxx Elite, BonusDex, BonusDex Elite, 10% Bonus PowerDex Elite, MasterDex 10, and Infinidex 10 (The “Two-Tiered Bonus Annuities”). No other annuities are included in this lawsuit. Specifically excluded from the Class are all California residents 65 years or older who are being represented in a case in the United States District Court for the Southern District of California.
- The Court has not decided whether Allianz did anything wrong. There is no money available now, and no guarantee there will be. However, your legal rights are affected, and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT:	
DO NOTHING	Stay in this lawsuit. Await the outcome. Give up certain rights. By doing nothing, you keep the possibility of getting money or benefits that may come from a trial or a settlement. But you give up any rights to sue or maintain any other legal action against Allianz separately about the same legal claims in this lawsuit.
ASK TO BE EXCLUDED	Get out of this lawsuit. Get no benefits from it. Keep rights. If you ask to be excluded and money or benefits are later awarded, you will not share in those. But you keep any rights to sue or maintain any other legal action against Allianz separately about the same legal claims in this lawsuit.

- Your options are explained in this notice. To be excluded, you must act before January 31, 2009.
- The class must prove the claims against Allianz at a trial on a date set by the Court. If money or benefits are obtained from Allianz, you will be notified about how to ask for a share.
- **Any questions? Read on and visit www.allianzannuitylitigation.com.**

QUESTIONS? VISIT ALLIANZANNUITYLITIGATION.COM

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BASIC INFORMATION

1. Why did I get this notice?

Allianz's records show that you are the owner of at least one Two-Tiered Bonus Annuity (as defined above) and/or the beneficiary of at least one Two-Tiered Bonus Annuity, where the policy owner or annuitant is deceased. This notice explains that the Court has allowed, or "certified," a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the Court holds a trial. The trial is to decide whether the claims being made against Allianz, on your behalf, are correct. Judge Ann D. Montgomery of the United States District Court for the District of Minnesota is overseeing this class action. The lawsuit is known as *Mooney, et al., v. Allianz Life Insurance Company of North America*, Case No. 06-cv-00545.

2. What is this lawsuit about?

This lawsuit is about whether Allianz engaged in deceptive and misleading conduct in the way in which it marketed and sold the Two-Tiered Bonus Annuities to consumers across the country. More information about this lawsuit can be found at www.allianzannuitylitigation.com.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representatives" sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The women who sued—and all Class Members like them—are called the Plaintiffs. The company they sued (in this case, Allianz) is called the Defendant. One court resolves the issues for all the Class Members—except for those people who choose to exclude themselves from the Class.

4. Why is this lawsuit a class action?

The Court decided that this lawsuit should be a class action and move towards a trial because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court found that:

- There are more than 440,000 people who purchased Two-Tiered Bonus Annuities from Allianz from February 9, 2000 through May 10, 2007 and who were not California residents that were 65 years of age or older at the time they purchased their Annuity;
- There are legal questions and facts that are common to each of them;
- Linda Mooney's and Lieselotte Thorpe's claims are typical of the claims of the rest of the Class;
- Ms. Mooney, Ms. Thorpe, and the lawyers representing the Class will fairly and adequately represent the Class Members' interests;
- The common legal questions and facts are more important than questions that affect only individuals; and,
- This class action will be more efficient than having many individual lawsuits.

More information about why the Court is allowing this lawsuit to be a class action is in the Court's Order Certifying the Class, which is available at www.allianzannuitylitigation.com.

THE CLAIMS IN THE LAWSUIT

5. What does the lawsuit complain about?

Plaintiffs say that Allianz deceptively marketed and sold the Two-Tiered Bonus Annuities. Allianz stated that every Plaintiff would "receive" or "get" an "immediate" or "up front" bonus. Despite these representations, Allianz required Plaintiffs to hold each Annuity in deferral for five years or more and subsequently annuitize each Annuity over a period of a minimum of ten years (five years for beneficiaries). Plaintiffs also say that if a Plaintiff annuitizes within the first ten years, Allianz assesses an undisclosed expense recovery adjustment against the annuitization value of the annuity that reduces the value of the bonus. As a result of this deceptive and misleading conduct, Allianz became the largest seller of these types of Annuities in the United States and, as such, earned substantial profits it would not have earned if it had

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not engaged in the deceptive and misleading conduct. You can read the Plaintiffs' Amended Class Action Complaint at www.allianzannuitylitigation.com.

6. How does Allianz Answer?

Allianz denies that it did anything wrong. Allianz has fully performed all of the provisions of the annuity contracts it issues, and immediately credits all bonuses to the annuitization value of the annuity contracts. Allianz explains fully in brochures, contract summaries, statements of understanding and the annuity contracts themselves that two-tier annuities have an annuitization and a cash value, and that to receive the full annuitization value, the annuitant must defer the annuity for a specified period and annuitize or receive benefits over a specified period. It is disclosed that if one surrenders such an annuity without annuitizing, that the value of the bonus is lost, and Allianz fully discloses all details concerning surrender charges for early withdrawal, including loss of any bonus. Allianz states the claims in this action are baseless, and intends to vigorously defend this lawsuit. Allianz's Answer to the Complaint is also available from the website.

7. Has the Court decided who is right?

The Court hasn't decided whether Allianz or Plaintiffs are correct. By establishing the Class and issuing this Notice, the Court is not suggesting that the Plaintiffs will win or lose this case. Plaintiffs must prove their claims at a trial. (See "The Trial" below on page 8.)

8. What are the Plaintiffs asking for?

Plaintiffs are asking the Court to order Allianz to pay money to Class Members representing the value of the promised bonus. Plaintiffs' claims also seek disgorgement of profits earned by Allianz as a result of its deceptive and misleading conduct.

9. Is there any money available now?

No money or benefits are available now because the Court has not decided whether Allianz did anything wrong, and the two sides have not settled the case. There is no guarantee that money or benefits ever will be obtained. If they are, you will be notified about how to ask for a share.

WHO IS IN THE CLASS

You need to decide whether you are affected by this lawsuit.

10. Am I part of this Class?

Judge Montgomery decided that all persons who purchased one or more Two-Tiered Bonus Annuities from Allianz between February 9, 2000 and May 10, 2007 and the beneficiaries of any such Two-Tiered Bonus Annuities where the policy owner or annuitant has died ("Beneficiaries") are Class Members. Judge Montgomery also specified that all persons who were residents of California and who were 65 years of age or older at the time they purchased one or more Two-Tiered Bonus Annuities are *not* part of the class. Persons who were residents of California and who were 65 years of age or older at the time they purchased one or more Two-Tiered Bonus Annuities are being represented in a case in the United States District Court for the Southern District of California (*Iorio, et al. v. Allianz Life Ins. Co. of N. Am.*, Case No. 05CV633). For more information, see question 12 below.

11. Who is part of this Class?

Individuals are part of the class as long as they purchased one or more Two-Tiered Bonus Annuities from Allianz Life between February 9, 2000 and May 10, 2007 and the Beneficiaries of any such Two-Tiered Bonus Annuities. Our information shows that you are a Class Member. This ruling by the Court allowing a Class Action does not mean that any monetary relief will be obtained for the Class Members, because there are contested issues that have not been decided. Rather, the ruling means that the final outcome of this lawsuit, whether favorable to the Plaintiffs or to Allianz, will apply in like manner to every Class Member who does not timely elect to be excluded from the lawsuit.

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12. Is there anyone who is not included in this Class?

You may NOT be a Class Member if one or more of the following statements are true:

- *Purchased* a Two-Tiered Bonus Annuity before February 9, 2000, or after May 10, 2007;
- Are the Beneficiary of a Two-Tiered Bonus Annuity that was purchased prior to February 9, 2000, or after May 10, 2007;
- *Purchased* a Two-Tiered Bonus Annuity when you were a California resident and were 65 years of age or older at the time you *purchased* the Annuity; or
- Are the Beneficiary of a Two-Tiered Bonus Annuity that was purchased by someone who was a California resident and was 65 years of age or older at the time they *purchased* the Annuity

However, even if one or more of these statements are true, you may be part of the Class if you *purchased* a Two-Tiered Bonus Annuity, or if you are the Beneficiary of a Two-Tiered Bonus Annuity, as long as the Two-Tiered Bonus Annuity was *purchased* between February 9, 2000 and May 10, 2007, and at least one of the following statements is true:

- a) You *purchased* an Allianz Two-Tiered Bonus Annuity while you were not a California resident;
- b) You are the Beneficiary of an Allianz Two-Tiered Bonus Annuity that was purchased by a policy owner who has died and who was NOT a resident of California at the time of purchase;
- c) You *purchased* an Allianz Two-Tiered Bonus Annuity prior to your 65th birthday (regardless of whether you were a California resident at the time of purchase); or
- d) You are the Beneficiary of an Allianz Two-Tiered Bonus Annuity that was purchased by a policy owner who has died and who purchased the Annuity prior to his or her 65th birthday (regardless of whether the policy owner was a resident of California at the time the annuity was purchased).

13. I am still not sure if I am included.

If you are still not sure whether you are included, you can get free help by visiting the website.

YOUR RIGHTS AND OPTIONS

You have to decide now whether to stay in the Class or ask to be excluded before the trial.

14. What happens if I do nothing at all?

You don't have to do anything now if you want to keep the possibility of getting money or benefits from this lawsuit. By doing nothing you are staying in the Class. If you stay in and Plaintiffs obtain money or benefits, either as a result of the trial or a settlement, you will be notified about how to apply for a share (or how to ask to be excluded from any settlement). Keep in mind that if you do nothing now, regardless of whether Plaintiffs win or lose the trial, you will not be able to sue, or continue to sue, Allianz or maintain any other legal action against Allianz,—as part of any other lawsuit or legal proceeding—about the same legal claims that are the subject of this lawsuit. This means that if you do nothing, you may only be able to sue Allianz for purchases of its Two-Tiered Bonus Annuities that occurred *before* February 9, 2000 or occurred *after* May 10, 2007 only. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

15. Why would I ask to be excluded?

You may exclude yourself from this lawsuit for any reason if you do not wish to participate. If you already have your own lawsuit against Allianz related to its sale of Two-Tiered Bonus Annuities and want to continue with it, you need to ask to be excluded from the Class. If you exclude yourself from the Class—which also means to remove yourself from the Class, and is sometimes called “opting-out” of the Class—you won't get any money or benefits from this lawsuit even if Plaintiffs obtain them as a result of the trial or from any settlement (that may or may not be reached) between Allianz and Plaintiffs. However, you may then be able to initiate or continue a lawsuit or other legal action against Allianz for deceptive and misleading conduct that occurred or occurs at any time. If you exclude yourself, you will not be legally bound by the Court's judgments in this class action.

QUESTIONS? VISIT ALLIANZANNUITYLITIGATION.COM

If you start your own lawsuit or other legal action against Allianz after you exclude yourself, you'll have to hire and pay your own lawyer for that lawsuit, and you'll have to prove your claims. If you do exclude yourself so you can start or continue your own lawsuit against Allianz, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations.

16. How do I ask the Court to exclude me from the Class?

To ask to be excluded, you must send an "Exclusion Request" in the form of a letter sent by mail, stating that you want to be excluded from *Mooney, et al. v. Allianz Life Insurance Co.* Be sure to include your name and address, and sign the letter. You must mail your Exclusion Request postmarked by January 31, 2009, to:

In re Allianz Two-Tiered Bonus Annuity Litigation EXCLUSIONS
c/o Analytics Incorporated
P.O. Box 2005
Chanhassen, MN 55317-2005

You may also get an Exclusion Request form at the website, www.allianzannuitylitigation.com.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court decided that the law firms of The Nygaard Law Firm, of Leawood, Kansas, Page Perry, LLC, of Atlanta, Georgia, and Chestnut & Cambronne, of Minneapolis, Minnesota, are qualified to represent you and all Class Members. Together the law firms are called "Class Counsel." They are experienced in handling similar cases. More information about these law firms, their practices, and their lawyers' experience is available at www.nygaardlaw.com, www.pageperry.com, and www.chestnutcambronne.com.

18. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

19. How will the lawyers be paid?

If Class Counsel obtain money or benefits for the Class, they will ask the Court for fees and expenses. You will not have to pay these fees and expenses. If the Court grants Class Counsels' request, the fees and expenses would be either deducted from any money obtained for the Class or paid separately by Allianz.

THE TRIAL

The Court has not yet scheduled a trial to decide who is right in this case.

20. How and when will the Court decide who is right?

As long as the case isn't resolved by a settlement or otherwise, Class Counsel will have to prove Plaintiffs' claims at a trial. The Court has ordered that the parties be ready for trial by January 1, 2009, in the United States District Court for the District of Minnesota, 202 U.S. Courthouse, 300 South 4th Street, Minneapolis, MN 55415. During the trial, a Jury or the Judge will hear all of the evidence to help them reach a decision about whether Plaintiffs or Defendant are right about the claims in the lawsuit. There is no guarantee that Plaintiffs will win, or that they will get any money for the Class.

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21. Do I have to come to the trial?

You do not need to attend the trial. Class Counsel will present the case for Plaintiffs, and Allianz will present the defenses. You or your own lawyer are welcome to come at your own expense.

22. Will I get money after the trial?

There is no guarantee of any recovery in a trial. If Plaintiffs obtain money or benefits as a result of the trial or settlement, you will be notified about how to participate. We do not know how long this might take.

GETTING MORE INFORMATION

23. Are more details available?

Visit the website, www.allianzannuitylitigation.com, where you will find the Court's Order Certifying the Class, the Complaint Plaintiffs submitted, Defendant's Answer to the Complaint, as well as an Exclusion Request form. You may obtain information by writing to:

In re Allianz Two-Tiered Bonus Annuity Litigation
c/o Analytics Incorporated
P.O. Box 2005
Chanhassen, MN 55317-2005

DO NOT WRITE OR TELEPHONE THE COURT REGARDING THIS NOTICE.

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