

FIXED INDEX UNIVERSAL LIFE INSURANCE POLICIES

Understanding life insurance charges

While most of your premium pays for the death benefit, your policy also includes other charges and fees to cover underwriting, issuing, and administering the policy. To be transparent – and to help you understand how we allocate your payments – below we outline the charges associated with our fixed index universal life (FIUL) insurance policies.



Premium charge: We deduct a premium charge as you pay premium into the policy. This charge helps cover expenses related to state premium tax, producer compensation, and other various expenses. It is up to the insurance company to set the premium charge rate. This charge is different depending on the premium amount.

For premium up to standard premium amount

- Policy years 1-9: 8% of premium
- Policy years 10+: 4% of premium

For supplemental premium in excess of standard premium amount

- Policy years 1-9: 14% of premium
- Policy years 10+: 4% of premium



Monthly deductions: We will charge a monthly deduction on each policy’s monthly anniversary. These charges include:

- **Cost of insurance charges** (“COI charges”) go toward covering the costs associated with the death benefit and other expenses. The COI charges are based on factors such as your age, gender, and risk class.
- **A policy charge** of \$7.50 per policy covers administrative fees.
- **The expense charge** covers costs associated with underwriting, such as ordering medical exams, producer compensation, and other expenses, and is calculated per each \$1,000 of your policy’s death benefit. The expense charge is also based on factors such as your gender, age, and risk class.
- **A monthly asset charge** of 0.08333% (or a 1% annual charge) is applied if you choose to allocate your accumulation value to a Select index allocation. In addition, with Select index allocations you receive a guaranteed 40% interest bonus rate.



Surrender charges: Our FIUL policies are designed to be in force for a minimum number of years. If you cancel (“surrender”) your policy before this surrender period ends, surrender charges will apply. The surrender periods vary by product. The surrender charge is based on age, gender, death benefit amount, and risk class, and decreases each year throughout the policy’s surrender period.



Optional riders: Because every person’s situation is unique, we offer optional riders that can help you customize a policy to address your specific needs. These optional riders usually incur an additional cost, either at issue or when exercised (sometimes called a “rider fee”).

Our FIUL policies are designed so the charges and fees typically decrease over time – meaning the financial burden for your policy may decrease as you near retirement, when you have fewer working years ahead.

→ FOR MORE INFORMATION ABOUT FIUL INSURANCE CHARGES AND FEES, [contact your financial professional.](#)

This piece must be accompanied by the “Understanding FIUL” brochure or applicable consumer brochure. This is not a comprehensive overview of all the relevant features and benefits of a life insurance policy.

This material is intended for educational purposes only and is not intended to serve as the basis for any purchasing decisions.

Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America (Allianz).

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297.

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