

The Allianz advantage: loan flexibility and choices

Discover what makes our policy loans stand out from the competition.

To provide your clients flexibility, our fixed index universal life (FIUL) insurance product offers both fixed interest rate loans and participating (indexed) loans.

In addition, we stand out by offering the flexibility to:

- Change loan allocations each policy anniversary
- Blend loan types, e.g., 50% indexed loans and 50% fixed loans
- Allocate loaned and unloaned values differently
- Utilize Index Lock and Auto Lock on loaned and unloaned values

NOT ALL POLICY LOAN OPTIONS ARE CREATED EQUAL.

This table shows how loan features differ between Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy and other FIUL policies in the industry.

Company	Product	Fixed interest loans	Participating loans (indexed or variable)	Participating loan rate guaranteed	Ability to switch between loan types	Ability to allocate loaned and unloaned values differently
Allianz	Allianz Life Pro+® Advantage	Yes	Yes	Yes	Yes	Yes
Fidelity & Guaranty Life Insurance Company	F&G Pathsetter	Yes	Yes	No	n/a	No
John Hancock Life Insurance Company	Accumulation IUL 21	Yes	Yes	No	Yes	No
Securian Financial	Eclipse Accumulator IUL	Yes	Yes	Yes	Yes	No
National Life Group	FlexLife NL	Yes	Yes	Yes	Yes	No
Nationwide Life Insurance Company	Indexed UL Accumulator II 2020	Yes	Yes	No	n/a	No
North American Company for Life Insurance	Builder Plus IUL 3	Yes	Yes	No	Yes	No
Pacific Life Insurance Company	Pacific Discovery Xelerator IUL 2 2020	Yes	Yes	No	Yes	No

HOW FIUL WORKS

- Provides a generally income-tax-free death benefit to beneficiaries
- Has the opportunity to build tax-deferred accumulation potential
- Provides access to any available cash value accumulation via policy loans or withdrawals¹

Information derived from product illustrations. Not to be distributed to the general public. Report created March 2022.

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This chart does not represent a comprehensive list of companies nor does it provide an overview of all product features.



Must be accompanied by the Allianz Life Pro+® Advantage agent guide (M-7227).

¹ Policy loans and withdrawals will reduce the available cash value and death benefit and may cause unintended consequences, including lapse or taxable events.

Please see the full loan and withdrawal disclosure within this material for details.

Life insurance policies have many factors and features to consider. Be sure to review all of the material details about the products with your clients before making specific recommendations. No single policy is appropriate for all clients.

Product and feature availability may vary by state and broker/dealer.

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UNDERSTANDING LOAN STRATEGIES

It's critical to understand how each loan strategy could affect your clients' loan amounts.

Some clients may choose to be more conservative when taking loans. To that end, fixed interest loans are more conservative and predictable due to guaranteed charge and credit. For clients looking for more accumulation potential, they may choose to allocate to participating ("indexed") loans or a combination of the two.

Let's take a look at hypothetical examples to understand how different loan types may work in different scenarios and how loaned amounts may be affected by the illustrated rate.

Remember, no one knows how the market will be when your client is due to take a loan. That's where Allianz comes in – with flexible loan options to help your clients choose what may be appropriate for them.

Potential loan amount assuming a 6% nonguaranteed illustrated rate

Type of loan	Loan amount
Indexed loan ¹	\$45,864
Withdrawals to basis, then indexed loans	\$40,677
50/50 fixed loan and indexed loan	\$37,946
Fixed loan ²	\$32,860

Potential loan amount assuming a 4% nonguaranteed illustrated rate

Type of loan	Loan amount
Fixed loan ²	\$17,805
Withdrawals to basis, then indexed loans	\$17,521
50/50 fixed loan and indexed loan	\$17,282
Indexed loan ¹	\$16,800

Assumptions: Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy; 40-year-old male; Preferred Nontobacco; \$10,500 annual premium for 20 years; death benefit option B switching to A in policy year 26; policy loans beginning in year 26; nonguaranteed illustrated rate; values include interest bonus in each year the policy earns interest.

Assuming the minimum guaranteed rate of 0.10%, the interest is not sufficient to support a loan strategy.

As you can see, there are opportunities and trade-offs for each loan type, depending on factors such as market conditions. That's where Allianz comes in – we offer flexible loan options to help your clients meet their ever-changing needs.



For more information about our flexible loan options, call the Life Case Design Team at 800.950.7372.

¹The indexed loan rate is 5% and is guaranteed for the life of the policy. The indexed interest credit is not guaranteed and is based on the performance of chosen allocation option(s).

²The fixed loan rate is 1.96% and is guaranteed for the life of the policy. The fixed credit is equal to an annual rate of 2%.

Policy loans and withdrawals will reduce the available cash value and death benefit and may cause the policy to lapse, or affect guarantees against lapse. Withdrawals in excess of premiums paid will be subject to ordinary income tax. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income to the extent there are earnings in the policy. If any of these features are exercised prior to age 59½ on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change and you should consult a tax professional.

Bonus products may include higher surrender charges, longer surrender charge periods, lower caps, or other restrictions that are not included in similar products that don't offer a bonus. The indexed allocations that offer the interest bonus will generally have lower caps and participation rates. Not all bonuses guarantee that a policy will be credited with an interest bonus every year as some are based on the growth of an index.

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. www.allianzlife.com

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