INDEXED UNIVERSAL LIFE

Turning available funds in your budget into a financial resource

How a typical couple can use life insurance to help provide for future needs

MEET THOMAS AND MYA, WHO ARE FINANCIALLY PREPARING FOR THE FUTURE AND WONDERING IF THEY COULD DO MORE

Like many couples in their mid-30s,

- They're a two-income family, with two kids in elementary school, and home owners.
- They have a mortgage payment, car payments, and are doing their best to financially prepare for their future.
- Both have corporate jobs and are taking advantage of their 401(k) offering, including the full company match.
- Thomas is also able to purchase company stock at a discount through his employer.
- Another benefit they both get through their employers is term life insurance coverage for twice their annual salary.
- They also have 529 college-savings plans for both of their kids, set up and funded by grandparents.

After reviewing their current assets, income, and monthly bills and expenses, **they realize they have a little extra discretionary income each month – about $250 – available to them.**

This material must be accompanied by the "Understanding indexed universal life insurance" consumer brochure (M-3959) or appropriate product brochure (M-8118).

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

CSI-571 (R-7/2024)

Their financial priorities

Meeting with the financial professional, Thomas and Mya outline their top priorities in deciding what to do with the money:

- Financial protection for their family
- Opportunity to accumulate value over time
- Level of protection from volatility and negative markets
- Access for emergencies or life events

POTENTIAL SOLUTION

Since their household income disqualifies them from contributing to a Roth IRA ($240,000 maximum HHI for 2023), Thomas and Mya decide to fund an Allianz Life Accumulator™ Indexed Universal Life Insurance Policy, which meets their financial priorities by providing:

- A **death benefit**, which is generally income-tax-free to beneficiaries
- The potential to **build accumulation value**
- The ability to **access any available cash value** through policy loans and withdrawals[1] to help with anything they want

Considerations

- Indexed universal life insurance is not a traditional college funding vehicle and does not provide a guaranteed stream of income at retirement.
- Keep in mind, life insurance requires health and financial underwriting.
- There is no guarantee the policy will earn sufficient interest to support a loan strategy. Clients should carefully monitor their policy values to help prevent a lapse.

[1] 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.

TWENTY YEARS LATER...

Both their kids have now graduated college. Thomas and Mya are nearing retirement, with each planning to work five more years.

After putting $250 per month into the policy for 15 years, Thomas and Mya have built up substantial cash value which they can access for whatever they want.

Thomas and Mya have decided to take a loan to help supplement a down payment on a 2-bedroom retirement condo in Arizona.

Though this reduces the size of the death benefit, the policy continues to have accumulation potential – and by the time they reach their mid-80s, they have a legacy of over $192,000 to leave to their children.

Age	Policy year	Policy loan	Cash value	Death benefit
45	10		$28,582	$130,160
50	15		$54,187	$154,187
55	20	**$65,000**	$5,171	$47,021
60	25		$12,561	$46,448
65	30		$24,238	$54,028
70	35		$42,130	$71,572
75	40		$69,335	$86,865
80	45		$110,407	$127,483
85	50		$169,226	**$192,436**

At age 55, Thomas takes a **$65,000 loan from his policy** for the down payment on a retirement home.

At age 85, he would still be able to leave **a $192,000 death benefit to his beneficiaries** when he dies.

Assuming the guaranteed minimum interest rate of .10% and maximum fees and charges, the policy would not support the loan strategy and the policy would lapse in policy year 20. This example reflects a consistent indexed interest rate, which is not realistic. Actual results will be higher or lower.

This hypothetical example is provided for illustrative purposes and does not represent an actual Allianz client.

Assumptions: Premium payment $250 monthly for 15 years, 35-year-old male, Preferred Plus, 5.5% nonguaranteed illustrated rate.

Thanks to the money they were able to set aside each month, Thomas and Mya are now enjoying life in Arizona, their children visit several times a year ... and they feel good knowing they can have a comfortable retirement while having a legacy they can pass down to their family.

TALK TO YOUR FINANCIAL PROFESSIONAL about how an IUL policy can help round out your financial strategy.

True to our promises so you can be true to yours®

A leading provider of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) bases each decision on a philosophy of being true: **True to our strength** as a key part of a leading global financial organization. **True to our passion** for making wise investment decisions. **True to building a culture** where everyone feels welcomed, included, and valued. And **true to the people we serve,** each and every day.

Through a line of innovative products and a network of trusted financial professionals, and with 3.9 million contracts issued, Allianz helps people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz is proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

While we are proud of our financial strength, we are made of much more than our balance sheet. By being true to our commitments and keeping our promises, we believe we make a real difference for our clients. It's why so many people rely on Allianz today and count on us for tomorrow – when they need us most.

Products are issued by:

Allianz Life Insurance Company of North America

PO Box 59060
Minneapolis, MN 55459-0060

www.allianzlife.com | 800.950.1962