Allianz Life Insurance Company of North America

INDEXED UNIVERSAL LIFE

Finding more money for college

How life insurance can help bridge the gap in college funding

Meet Caitlin and James ... and future college student, Liam

- They're married, both age 35, with a new baby, Liam.
- Need life insurance coverage to help ensure their family's long-term financial stability.
- Want to start planning now for Liam's future college expenses.

Even with options like 529 plans and Coverdell Education Accounts, they still believe there will be a gap between their available funds and the cost of college.

College costs are still rising

$24,030+ Average cost per year for a public four-year, in-state college or university
$56,190+ Average cost per year for a four-year private institution[1]

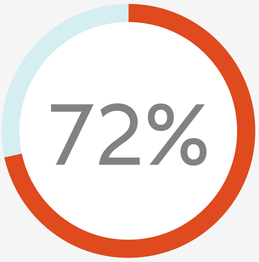
This material must be accompanied by the "Understanding indexed universal life insurance" consumer brochure (M-3959) or appropriate product brochure.

[1] "Trends in College Pricing and Student Aid 2023," The College Board, October 2023.

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

CSI-570 (R-7/2024)

Caitlin and James' plan for additional college funding



of couples with children said it was important to fund a financial product that they could leverage to pay for college expenses.[1]

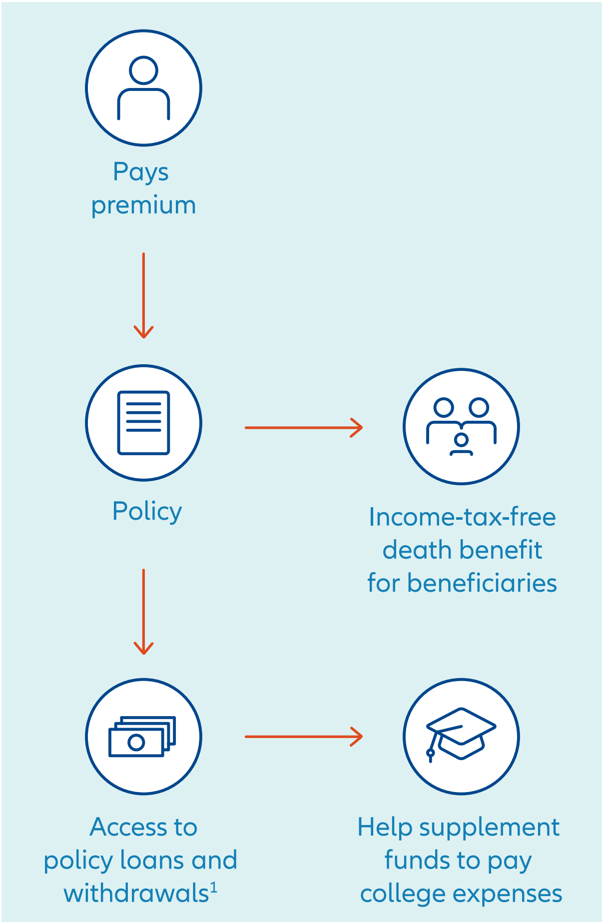
- Their annual household income is about $160,000.
- They still have a few hundred dollars to spare each month after paying their bills, putting aside some savings, and making their 401(k) contributions.
- They decide to purchase **an Allianz Life Accumulator™ Indexed Universal Life Insurance Policy.**
  - Provides a death benefit which is generally income-tax-free to beneficiaries
  - Provides the opportunity to build accumulation value over time
  - Any available cash value in the policy can be accessed for any purpose via policy loans or withdrawals[2]

When Liam is ready for college, Caitlin and James will use their policy to supplement their other college-funding sources and help pay for Liam's education.

[1] Allianz 2022 Middle Market Study

[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.

Here's how it could work



Caitlin and James make monthly premium payments for 10 years
$300 in each month ($3,600 annually)

Cash value policy year 19 (before loan)
$64,756

Policy loans in years 20-23 to supplement college expenses
$15,000 per year for four years ($60,000 total)

Cash value policy year 50
$184,491

Death benefit policy year 50
$206,388

Assuming the guaranteed minimum interest rate of .10%, the cash value and death benefit in policy year 19 would be $20,968 and $100,000. The policy would only support a policy loan for one year and lapse in policy year 21.

This hypothetical example is provided for illustrative purposes and does not represent an actual Allianz client. This example reflects a consistent indexed interest rate, which is not realistic. Actual results will be higher or lower.

Assumptions: Premium payment of $300 monthly for 10 years, 35-year-old female, Preferred Plus, 5.5% nonguaranteed illustrated rate, indexed loan years 20-23.

Having taken steps for Liam's future, Caitlin and James can rest easier.

(And new parents need all the sleep they can get.)

Should plans change and Liam decide to not attend college, the cash value in the policy could be accessed for other things like emergencies, supplemental retirement income – or 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.

ASK YOUR FINANCIAL PROFESSIONAL about how an IUL policy can help fill the gaps in your college funding strategy.

[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 full loan and withdrawal disclosure within this material for details.

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:

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