

The benefits of diversifying your fixed index universal life insurance policy

In addition to offering death benefit protection, fixed index universal life (FIUL) insurance policies also have the potential to accumulate tax-deferred cash value accumulation based on indexed interest. And thanks to our indexing experience and expertise – plus our dynamic hedging capabilities – we’re able to create proprietary indexes and crediting methods no other insurance company offers.

Diversification helps to reduce risk and smooth out volatility. In the following hypothetical example we use three different index allocations. Each of these allocations has an underlying bond and equity component within the index. Having both bond and equity components within an index option can be attractive, because the accumulation potential offered by equities and the relative safety of bonds can help provide balance within the index.

A hypothetical example of how diversification can help limit the likelihood of 0% interest

By diversifying the index and crediting method exposure within your FIUL policy, you may be able to spread out the interest potential and volatility of your policy over different economic cycles. Keep in mind that a diversified allocation does not ensure you will earn an interest credit every year. However, the 0% floor protects you from negative returns. (Fees and charges will reduce the cash value.)

This example is not intended to provide advice and your individual needs and goals should be considered when determining an allocation that may be appropriate for you. There are a number of index options and crediting method options available with Allianz Life Pro+, as well as a fixed interest allocation, that may be used to diversify the allocations within your FIUL policy.

Power of a balanced approach

INDEX ALLOCATION OPTION	HISTORICAL FREQUENCY OF 0% INTEREST
Barclays US Dynamic Balance Index II with annual point-to-point crediting ¹	6.82%
Blended index with annual point-to-point crediting ²	22.53%
Allianz True Balance™ with annual sum crediting ³	15.77%
MIXED ALLOCATION (EQUAL PORTION OF EACH ALLOCATION OPTION)	3.68%

Assumptions: Historical results in the hypothetical example are based on issuing a policy every day from 1/1/2005 through 12/31/2015 and calculating the annual return through 12/31/2016. Assuming current rates as follows: Allianz True Balance cap of 7.00% and 200% participation rate; Barclays US Dynamic Balance Index II 145% participation rate; blended index 15.00% cap.

Because the policy and indexes did not exist during the entire time frame used, these results represent hypothetical historical information only and reflect current rates, which are not guaranteed. Actual rates that could have been applied over this time frame would have been different from the figures shown in this example and in some cases may be dramatically higher or lower depending on a number of factors, including market conditions. Past results are not indicative of future results. The 10-year period shown reflects the longest common period of historical data available for the indexes used in this hypothetical example.

For all that's ahead.®



Must be accompanied by "Understanding your crediting methods" (M-5913) and Allianz Life Pro+ Fixed Index Universal Life Insurance Policy consumer brochure.

¹ Participation rate is declared at issue and on each policy anniversary and is guaranteed to never be less than 5%.

² Cap is subject to change on an annual basis but will never be less than the minimum guaranteed cap of 0.25%.

³ Cap is subject to change on an annual basis but will never be less than the minimum guaranteed cap of 0.10%. Participation rate is declared at issue for the life of the policy and may change on newly issued policies.

Although an external index may affect your policy values, the policy does not directly participate in any stock, bond, or investments. You are not buying any bonds, shares of stock, or shares of an index. The market index value does not include the dividends paid on the stocks underlying a stock index. These stock dividends are also not reflected in the interest credited to your policy.

Available index allocation options vary by state.

This piece is not intended to provide investment advice. Consumers are responsible for making their own decisions regarding allocation selections.

For more information on indexes, see "Indexes used to determine interest" (M-5640).

This content is general information for educational purposes, and is not intended to constitute fiduciary advice. Please consult your financial professional for a specific recommendation about purchasing this product.

They all perform differently in various environments.

Blended index: may diversify risk and help smooth out market volatility. The blended index is comprised of Dow Jones Industrial Average (35%), Barclays US Aggregate Bond Index (35%), EURO STOXX 50® (20%), and Russell 2000® Index (10%).

Barclay US Dynamic Balance Index II: manages volatility by shifting between an equity index and bond index. Barclays US Dynamic Balance Index II is comprised of S&P 500® Index and Barclays US Aggregate RBI® Series I Index, and their weights shift daily.

Allianz True BalanceSM: gives the benefit of equal prominence of both bond and equity index performance. Allianz True Balance index is comprised of S&P 500® Index (50%) and Barclays US Aggregate RBI® Series I Index (50%).

How do you select an allocation that may be appropriate for you?

No one can predict how an index or crediting method will perform in the future. Regardless of which allocation you choose, however, some options offer the potential for a higher level of

interest in a given year – but in exchange they generally have more volatility, which can mean a greater risk of earning zero interest in a given year.

Other indexes may not offer the potential to earn the most interest in a given year, but they generally have less volatility – so you may have a greater chance of earning interest (greater than zero) from year to year. Each index allocation option is subject to either a cap and/or participation rate. In addition to offering index allocations, a fixed interest allocation is also available. Past results do not indicate future results. If your needs change, you have the flexibility to change your index and crediting method choices each policy anniversary.

For more information on your allocation options and help with creating a diversified strategy, **contact your financial professional today.**

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The Barclays US Dynamic Balance Index II is comprised of the Barclays US Aggregate RBI® Series 1 Index and the S&P 500® Index and shifts weighting daily, up to 3%, between them based on realized market volatility. The Barclays US Aggregate RBI® Series 1 Index is comprised of a portfolio of derivative instruments plus cash that are designed to track the Barclays US Aggregate Bond Index. The Barclays US Aggregate Bond Index is comprised of Barclays US investment-grade, fixed-rate bond market securities, including government agency, corporate, and mortgage-backed securities. Barclays Risk Analytics and Index Solutions Limited and its affiliates ("Barclays") is not the issuer or producer of any Allianz products and Barclays has no responsibilities, obligations or duties to investors in respect of the Barclays US Aggregate Bond Index, the Barclays US Aggregate RBI® Series 1 Index or the Barclays US Dynamic Balance Index II. The Barclays US Aggregate Bond Index, the Barclays US Aggregate RBI® Series 1 and the Barclays US Dynamic Balance Index II are trademarks owned by Barclays, and the Barclays US Aggregate Bond Index and the Barclays US Dynamic Balance Index II are licensed for use by Allianz Life Insurance Company of North America as the Issuer of the Allianz product. While Allianz may for itself execute transaction(s) with Barclays in or relating to the Barclays US Aggregate Bond Index, the Barclays US Aggregate RBI® Series 1 Index or the Barclays US Dynamic Balance Index II with Allianz products, investors acquire Allianz products from Allianz Life Insurance Company of North America and investors neither acquire any interest in the Barclays US Aggregate Bond Index, the Barclays US Aggregate RBI® Series 1 Index or the Barclays US Dynamic Balance Index II nor enter into any relationship of any kind whatsoever with Barclays upon making an investment in any Allianz product. The Allianz products are not sponsored, endorsed, sold or promoted by Barclays and Barclays makes no representation regarding the advisability of any Allianz product or use of the Barclays US Aggregate Bond Index, the Barclays US Aggregate RBI® Series 1 Index or the Barclays US Dynamic Balance Index II or any data included therein. Barclays shall not be liable in any way to the Issuer, investors or to other third parties in respect of the use or accuracy of the Barclays US Aggregate Bond Index, the Barclays US Aggregate RBI® Series 1 Index or the Barclays US Dynamic Balance Index II or any data included therein.

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