Life Insurance as a Financial Engine℠

(R-11/2018)

Allianz Life Insurance Company of North America

How efficient is your **retirement portfolio**?

Discover a new approach to help manage the effects of market volatility.

If you're preparing for retirement, you're likely familiar with the unique challenges and opportunities you'll face. Your approach may include protection for your family and addressing health care costs, inflation, and taxes – but what about protection from market volatility? You may need to rely more heavily on personal assets to fund your financial strategy in retirement.

With this responsibility, you may encounter **greater pressure on your holistic portfolio** to help you achieve three financial objectives:

1 Manage risks

you'll face in retirement, including:

- The potential for the significant impact of **market volatility**, especially early in your retirement
- **Outliving your retirement assets**
- The rising costs of **inflation**

2 Portfolio diversification

to help address needs such as:

- **Flexibility**
- **Tax advantages**
- **Alternative sources** you could use to supplement your retirement income

3 Asset protection with:

- **Low correlation** assets
- Protection from **market losses**
- Self-completing assets that provide a **death benefit**

Fortunately, you can help address these objectives by adding a fixed index universal life (FIUL) insurance policy to your overall financial strategy.

It can make sense to add an FIUL policy to your financial strategy to help you:	**PROTECT** your family through a death benefit that is generally income-tax-free
	DIVERSIFY your retirement strategy
	PROVIDE the potential to help lessen the effects of market volatility on an overall portfolio with the opportunity to supplement your income in retirement

To better understand how an FIUL policy could complement your financial strategy in retirement, **let's look at a hypothetical case study.**

For all that's ahead.®

Allianz

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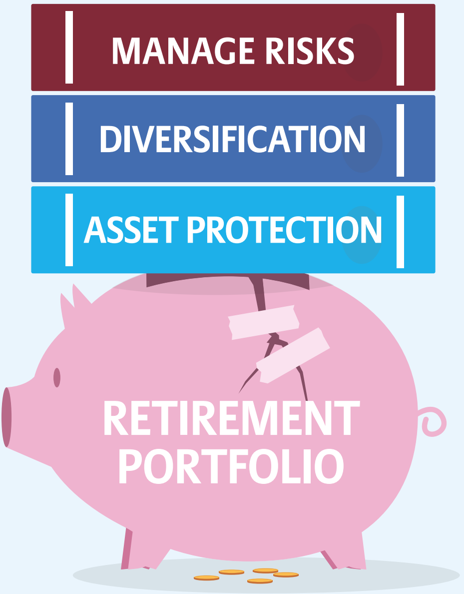
The impact of market volatility on your financial portfolio

Negative market environments can have a significant impact on your portfolio **especially when accessing money in retirement.**



Consider and compare **two retirement strategies**

Efficiently manage your assets by helping minimize the effect of losses.

Hypothetical client profile:

NAME: Mark	**AGE:** 65

Mark's financial objectives:

Protect his family with a life insurance death benefit

Access $125,000 per year (before tax) in retirement to maintain his standard of living

Mark's sources of income at retirement include:

Traditional IRA (fixed annuity) $30,000 a year

Social Security $20,000 a year

Personal retirement account (made up of various personal investments) $75,000 per year (to make up the gap between his need of $125,000 per year and his IRA and Social Security income)

Potential supplemental sources of retirement income:

Fixed index universal life (FIUL) insurance policy

In addition to the death benefit, FIUL offers Mark the potential to accumulate cash value tax-deferred that he can access later for a variety of needs through policy loans or withdrawals.[1]

[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.

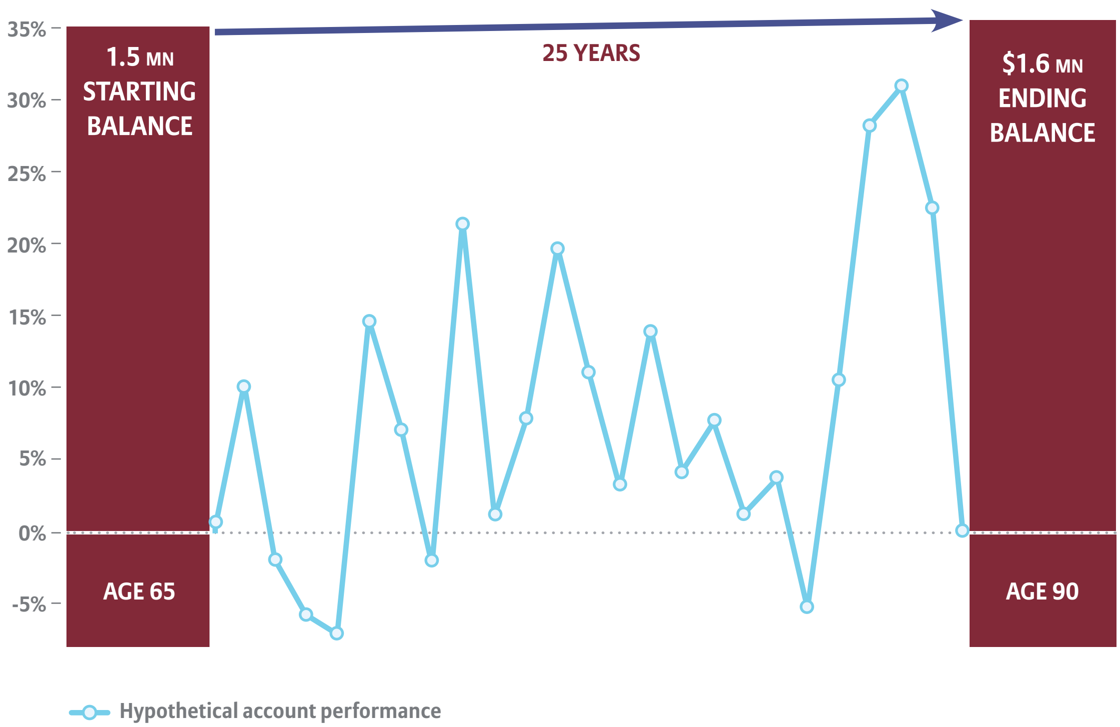
How could market volatility impact y

1 Retirement account **ONLY**

With this strategy:

- Mark saves $1.5 million in his personal retirement account to supplement Social Security and IRA disbursements from a fixed annuity.
- He would withdraw $75,000 per year with a 1% annual increase for inflation.
- Mark is concerned about the impact that market losses could have on his retirement account.

Hypothetical personal retirement account withdrawing $75K each year



Account would have stayed relatively flat, **ONLY INCREASING BY 8%.**

This hypothetical example is provided for illustrative purposes only, and is not intended to predict or project actual results. Clients should discuss their financial objectives with a financial professional to determine what may be appropriate for their situation. In addition, it's important to note that different financial products may be taxed at different rates.

Considerations for this strategy

- Mark's retirement account is not protected and is exposed to market risk.
- If Mark were to access his account after a down year, it could significantly impact his ability to rebuild his account value.
- If Mark were to access this account every year, he could experience a more significant impact to his retirement account than is necessary.

Let's look at an alternative solution for Mark

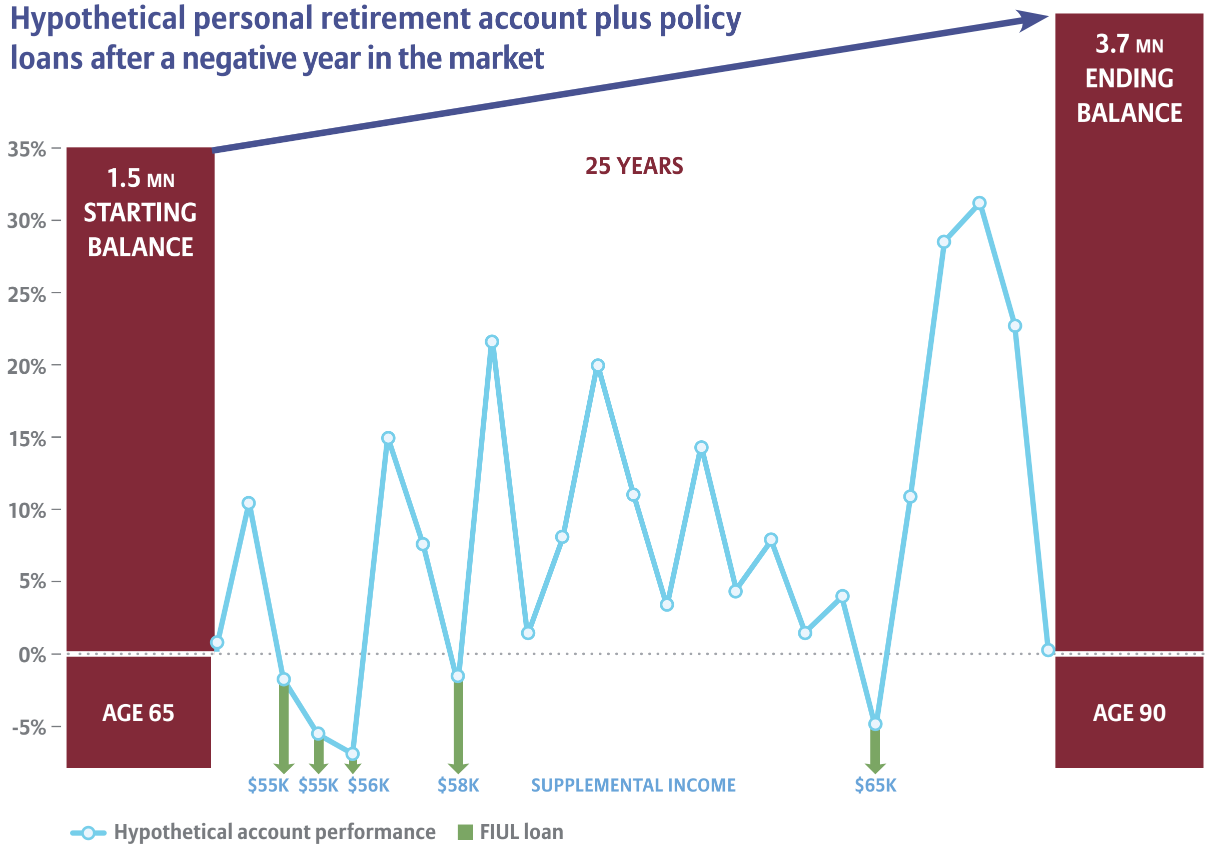
our retirement portfolio? | **To find out,** let's look at two potential financial strategies for Mark.

2 Retirement account + **FIUL POLICY**

With this strategy:

- Mark can take withdrawals from his retirement account in most years and, following a year when the market is negative, he can take a loan[1] against any available cash value in his FIUL policy.
- He has the ability to keep his assets in his retirement account, allowing more time to rebuild from a loss.
- The cash value in his FIUL policy is protected from negative index performance. While the cash value in his policy may be impacted by index performance, it will never receive less than a zero credit in any year.

Hypothetical personal retirement account plus policy loans after a negative year in the market



Could **INCREASE RETIREMENT ACCOUNT** by **147%**.

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Adding FIUL to your financial strategy can help create a more efficient portfolio that includes more than just your retirement account, and you could also gain:

Flexibility to take policy loans after a negative year to help reduce the effects of a down market on your retirement account[1]	**Diversification** to help reduce overall portfolio risk and to help ensure your retirement account will last	**Death benefit protection** for your beneficiaries in the event of an unexpected death

FIUL policy: Allianz Life Pro+ Elite℠ Fixed Index Universal Life Insurance Policy, 45-year-old male, Preferred Nontobacco risk class, $1 million death benefit, $16,358 planned premium for 20 years, 6% nonguaranteed constant illustrated rate to age 65. The illustrated rates shown from age 66 to 90 are based on the hypothetical historical blended index performance with the annual point-to-point crediting method and a 20.00% current cap, if the FIUL policy and the index had been available during this period (which they were not). The cap is subject to change on an annual basis but will never be less than the minimum guaranteed cap of 0.25%. Assuming the minimum guaranteed rate of 0.10% and maximum charges, the policy would lapse at age 69 and would not be able to support the loan strategy.

[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.

Adding FIUL can impact your retirement strategy in more ways than one.

Remember our friend Mark? By accessing FIUL policy loans to supplement retirement income, he could significantly increase his personal retirement account while also providing death benefit protection for his family.

This strategy may be appropriate if you are:

In need of life insurance coverage

Healthy enough to qualify for life insurance

Currently saving for retirement through traditional savings options like 401(k)s, traditional or Roth IRAs, investment accounts, nonqualified annuities, or CDs

CONCERNED ABOUT:

- providing for your beneficiaries in the case of a premature
- having enough money to live comfortably in retirement
- diversifying your retirement strategy
- future tax rates
- market volatility now and in retirement

Considerations:

FIUL requires health and financial underwriting.

An FIUL policy is subject to market volatility, to a certain extent; negative index performance would result in zero interest earned by the policy. The amount of interest the policy earns impacts the amount of cash value available, and there is no guarantee that there will be sufficient cash value available to keep the policy in force.

If taking policy loans, you need to be sure you are managing your policy values to ensure that the policy remains in force. Additional premium payments may be required to keep the policy in force.

The cost of the loan can vary by loan type and the interest earned by the policy may not be enough to cover the loan cost each year, which reduces policy values.

Policy loans will reduce your available cash value, which may cause the policy to lapse.

If the policy lapses, outstanding policy loans in excess of the premium paid will be subject to ordinary income tax, which can be a substantial amount of taxable income.

FIUL is not a source for guaranteed retirement income.

Talk to your financial professional to learn how FIUL could be appropriate for your financial strategy.

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