

The Allianz advantage: loan flexibility and choices

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

All life insurance policies provide death benefit protection for the beneficiaries. Fixed index universal life (FIUL) policies also have the opportunity to accumulate cash value that can be accessed through income-tax-free policy loans for future needs.¹ To provide your clients flexibility, our FIUL products offer both fixed interest rate loans and participating (indexed) loans. We are proud to offer flexible loan options, including:

- Flexibility to switch between loan types each policy anniversary
- Opportunity to change loan allocations each policy anniversary
- The ability to blend loan types, e.g., 50% indexed loans and 50% fixed loans
- Guaranteed accumulation bonuses applied to loaned and unloaned amounts
- Opportunities for diversification with different allocations for loaned and unloaned values

Not all policy loans options are created equal.

The table below shows how loan features differ between Allianz Life Pro+ Elite and other FIUL policies in the industry. It does not represent a comprehensive overview of all features.

COMPANIES	Fixed interest loans	Participating loans (indexed/variable)	Participating loan rate guaranteed	Ability to switch between loan types ²	Ability to allocate loaned and unloaned values differently	Withdrawals receive partial-year index credit
Allianz Life Pro+ Elite	Yes	Yes	Yes	Yes	Yes	Yes
Minnesota Life Eclipse Indexed Life Policy	Yes	Yes	Yes ³	Yes	No	No
Pacific Life Pacific Indexed Performer LT	Yes	Yes ⁴	No	Yes	No	Yes
National Life Group FlexLife IUL	Yes	Yes	Yes ³	Yes	No	No
North American Builder Plus IUL	Yes	Yes	No	Yes	No	No
Accordia Lifetime Builder	Yes	Yes	No	Yes	No	No
VOYA Indexed Universal Life – Global Choice	Yes	Yes	Yes	Yes ⁵	No	No
Nationwide YourLife Indexed Universal Life	Yes	No	n/a	n/a	n/a	No
AXA – Brightlife SM Grow	Yes	Yes	No	No	No	Yes
John Hancock – Accumulation Indexed UL	Yes	Yes	No	Yes	No	No
Lincoln – WealthAdvantage [®] Indexed UL	Yes	Yes	Yes	Yes	No	No
Prudential – PruLife [®] Index Advantage UL	Yes	No	n/a	n/a	n/a	No
Transamerica – TransNavigator [®] IUL	Yes	No	n/a	n/a	n/a	No
Penn Mutual – Accumulation Builder Select IUL	Yes	Yes	Yes ²	Yes	No	No

For all that's ahead.[®]

Allianz 

Must be accompanied by the Allianz life Pro+ Elite agent guide (M-6061).

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.

² The frequency of switching loan types varies by carrier.

³ To use the guaranteed participating indexed loan the client is limited to one specified allocation.

⁴ Pacific Life refers to indexed loans as alternate loans. The rate is not guaranteed.

⁵ With Voya, clients can only switch loan types once, and only from indexed loans to fixed loans.

Life insurance policies have many factors and features to consider and this is not a comprehensive overview of all of the product features and benefits. 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. Competitor information is believed to be current and accurate as of June 2018. Product rates, features, and availability may vary by age and state. Consult the insurance company or policy form for full details.

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.

TO STAY CONNECTED WITH YOUR CLIENTS, host annual policy reviews to help ensure their policy continues to meet their changing needs.

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 6.50% nonguaranteed illustrated rate

TYPE OF LOAN	LOAN AMOUNT
Indexed loan ¹	\$54,442
Withdrawals to basis, then indexed loans	\$49,090
50/50 fixed loan and indexed loan	\$45,321
Fixed loan ²	\$37,814

Assumptions: Allianz Life Pro+ EliteSM 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 of 6.50%; 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.

POTENTIAL LOAN AMOUNT assuming a 4% nonguaranteed illustrated rate

TYPE OF LOAN	LOAN AMOUNT
Fixed loan ²	\$15,788
Withdrawals to basis, then indexed loans	\$14,950
50/50 fixed loan and indexed loan	\$14,635
Indexed loan ¹	\$12,961

Assumptions: Allianz Life Pro+ Elite 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 of 4%; 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.

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

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

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