

FIXED INDEX 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 still rising

\$27,330+ Average cost per year for a public four-year, in-state college or university

\$55,800+ Average cost for a four-year private institution¹

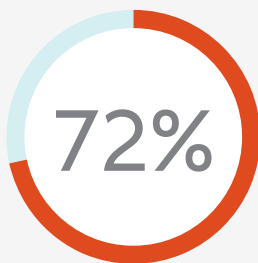
This material must be accompanied by the "Understanding fixed index universal life insurance" consumer brochure (M-3959) or appropriate product brochure.

¹"Trends in College Pricing and Student Aid 2021," The College Board, October 2021.

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



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

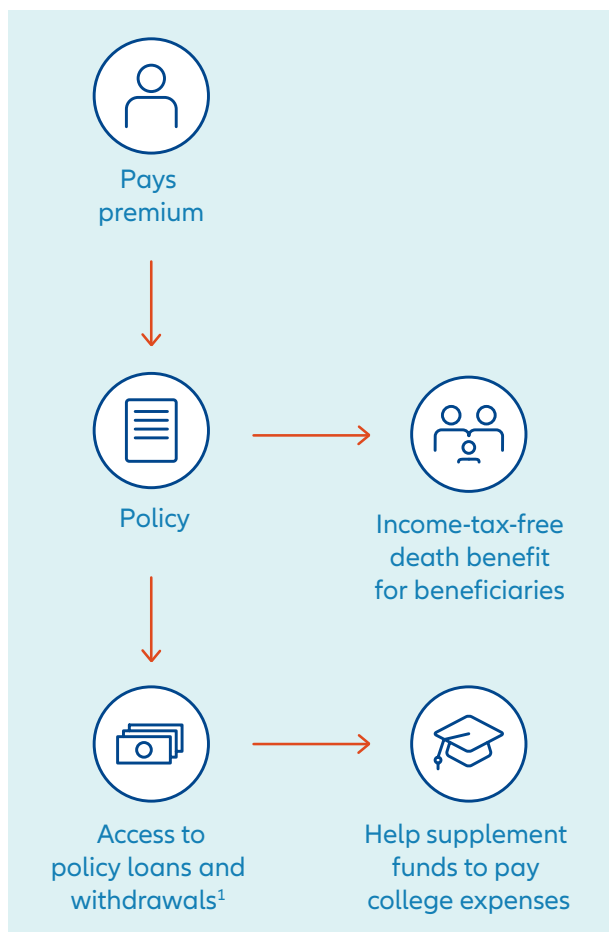
- Their annual household income is about \$160,000.
- They still have a few hundred dollars to spare each month after paying their bills, putting aside some savings, and making their 401(k) contributions.
- They decide to purchase an **Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance 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 withdrawals²

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)

\$60,886

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

\$142,402

Death benefit policy year 50

\$162,194

Assuming the guaranteed minimum interest rate of .10%, the cash value and death benefit in policy year 19 would be \$19,717 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: \$300 monthly for 10 years, 35-year-old male, 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

- Fixed index 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 FIUL policy can help fill the gaps in your college funding strategy.

¹Policy 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.

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

This notice does not apply in the state of New York.

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