Allianz
Life Pro+®
Fixed Index
Universal Life
Insurance
Policy
(9/2014)

Allianz Life Insurance Company of North America

A strategy to help **enhance your Social Security** benefits

How life insurance can allow a married couple to delay and increase their Social Security benefits

Meet Mike and Staci. In this hypothetical case study, Mike and Staci were each born in 1960 (making them age 54). They are married, with two teenage children at home. Staci is an attorney at a local law firm and Mike is a human resources director at a large software company. Both Mike and Staci plan on retiring at their full retirement age of 67.

Their financial needs: Mike and Staci have planned well and have several expected sources of income for retirement in place, including their 401(k)s, nonqualified annuities, and Social Security. They both need individual life insurance policies in addition to the term insurance they have through their employer in case of job loss or change of employment. Their goal for the life insurance death benefit is to replace lost income and help with college funding for their children.

OPTION 1: Accessing Social Security at full retirement age 67

Social Security beneficiary	Monthly estimated income[1]
Mike	$2,000
Staci	$2,600

OPTION 2: Delay accessing Social Security until age 70. This will increase the payout by 8% per year.

Social Security beneficiary	Monthly estimated income[1]
Mike	$2,480
Staci	$3,224

For all that's ahead.®

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Must be accompanied by the Allianz Life Pro+ consumer brochure (M-5320 and appropriate state variations).

This hypothetical example is provided for illustrative purposes only. Characters are fictional and not actual Allianz Life Insurance Company of North America (Allianz) clients.

Financial professionals may provide information, but not advice, related to Social Security benefits. You should seek information from the Social Security Administration regarding your particular situation. For more information, please see your local Social Security office or visit www.ssa.gov.

Social Security income is an estimate only and rules may change. Please visit www.ssa.gov for more information.

[1] The Social Security monthly estimate income is hypothetical only and does not take into account potential cost-of-living adjustments if declared by the Social Security Administration, or changes due to potential salary changes while working.

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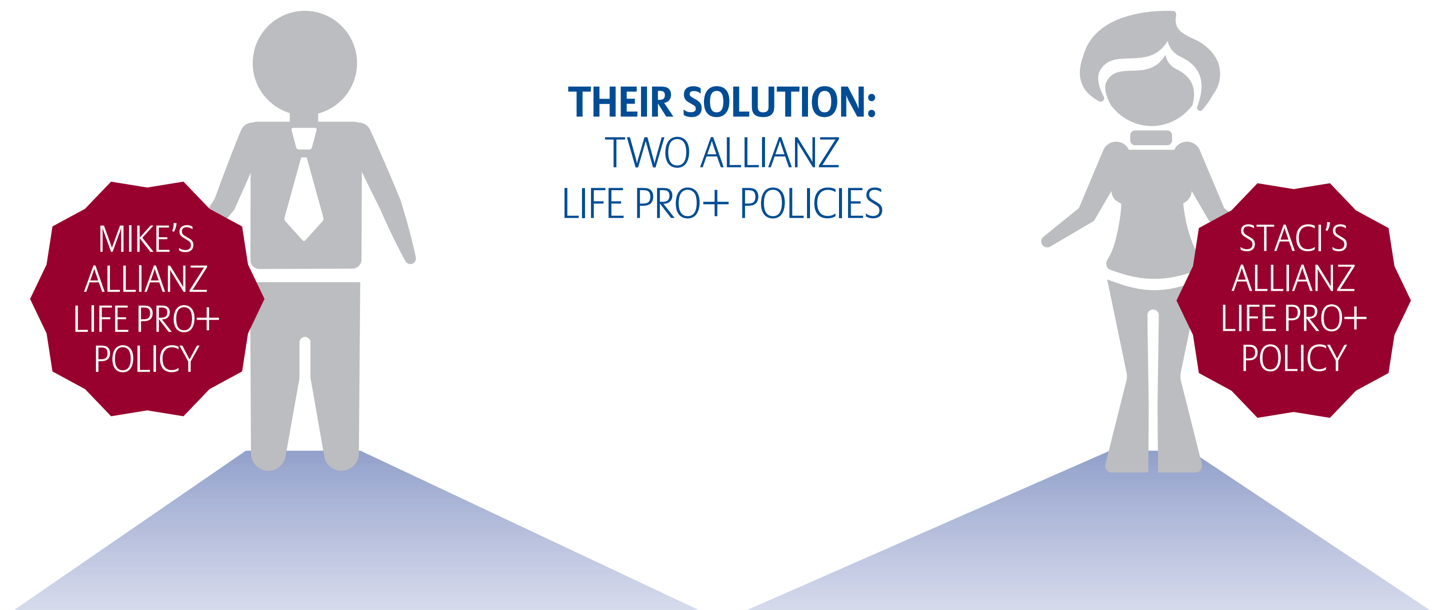
Mike and Staci's retirement concerns:[1]

If one of them were to pass away unexpectedly, under current rules, the surviving spouse can keep receiving the higher earner's Social Security benefits – but will stop receiving the lower earner's benefits. That means if they had both started taking Social Security at age 67, the surviving spouse would lose $2,000 of income per month.

And while they like the idea of delaying their Social Security benefits until age 70 in order to increase their Social Security payments, they are concerned that their current retirement income resources may not be enough to bridge the gap.

While they could purchase additional nonqualified annuities or increase their 401(k) contributions, these possibilities do not address their need for death benefit protection.

THEIR SOLUTION:
TWO ALLIANZ
LIFE PRO+ POLICIES



Mike's Allianz Life Pro+ policy		
Death benefit	$500,000	
Annual premium to age 66 (12 years)	$20,000	
	7% nonguaranteed illustrated rate[3]	1.5% minimum guaranteed fixed interest rate[4]
Cash value at age 66	$281,324	$154,183
Policy loans[2] starting at age 67	$28,471 for 19 years	$28,471 for 4 years, then policy lapses

Assumptions: 54-year-old male; Preferred Plus Nontobacco risk class; $500,000 death benefit; $20,000 annual premium for 12 years; 7% nonguaranteed illustrated rate; policy loans beginning at age 67 through age 85

Staci's Allianz Life Pro+ policy		
Death benefit	$500,000	
Annual premium to age 66 (12 years)	$20,000	
	7% nonguaranteed illustrated rate[3]	1.5% minimum guaranteed fixed interest rate[4]
Cash value at age 66	$294,896	$172,934
Policy loans[2] starting at age 67	$30,159 for 19 years	$30,159 for 5 years, then policy lapses

Assumptions: 54-year-old female; Preferred Plus Nontobacco risk class; $500,000 death benefit; $20,000 annual premium for 12 years; 7% nonguaranteed illustrated rate; policy loans beginning at age 67 through age 85

[1] This hypothetical example is provided for illustrative purposes only. Characters are fictional and not actual Allianz clients.

[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. 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. Tax laws are subject to change and you should consult a tax professional.

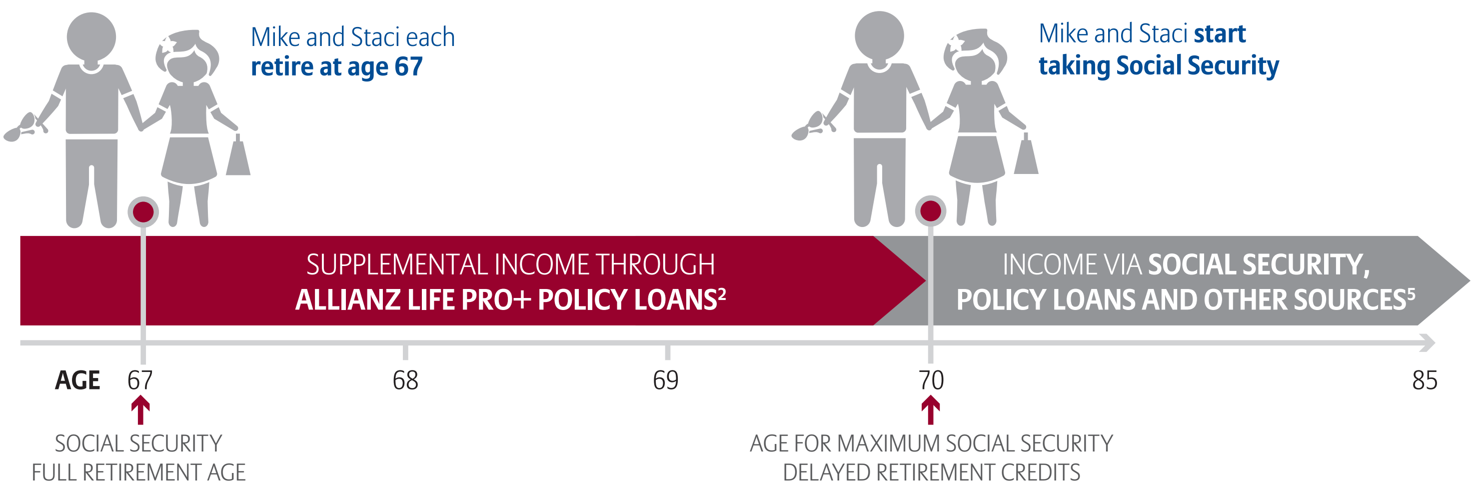
By purchasing two Allianz Life Pro+ policies, Mike and Staci **can meet their life insurance needs and potentially enhance their retirement income.**

1 **THEY HAVE LIFE INSURANCE COVERAGE THAT'S INDEPENDENT OF THEIR JOBS**, so if one or both of them were to lose current employment, they have their individual policies in place.

2 If Mike or Staci passes away prematurely when retired or receiving Social Security benefits, **THE INCOME-TAX-FREE DEATH BENEFIT CAN BE USED TO HELP FUND COLLEGE FOR THEIR CHILDREN OR REPLACE THE LOST SOCIAL SECURITY INCOME**. (The $500,000 death benefit could offer about 20 years' replacement of the $2,000 monthly Social Security payment that would be lost due to the death.)

3 Allianz Life Pro+ also offers the opportunity to build cash value that can be used for a variety of purposes – such as supplemental retirement income – by accessing their policy's cash value through policy loans.[2] These **POLICY LOANS MAY HELP MAKE IT POSSIBLE FOR THEM TO DELAY TAKING THEIR SOCIAL SECURITY BENEFITS** until age 70 – which can enhance their Social Security income payments. It may also provide a supplement to their retirement income beyond age 70. In this case, we are illustrating accessing policy loans until age 85 which is just beyond their life expectancy. Note: it is important to understand the effect of loans on the policy and the income tax consequences if the loans cause the policy to lapse.

4 While they are still working, Mike and Staci have the ability to **PAY ADDITIONAL PREMIUM (ABOVE TARGET) INTO THEIR POLICY THAT CAN HELP INCREASE THE POTENTIAL CASH VALUE AVAILABLE FOR POLICY LOANS**. They want to pay premium until age 66 and then start accessing policy loans when they retire at age 67.



[3] Based on historical performance, the index allocation options, had they been available, would have resulted in a wide range of interest rates. Some would have exceeded 7% and some would have been less than this. Keep in mind that different time periods and different indexes would produce higher or lower averages. The interest rate credited is based on the caps and or participation rates in the policy, and is subject to change on any policy anniversary based on several external factors including, but not limited to, market volatility, short-term interest rates, and long-term interest yields.

[4] Assumes a guaranteed fixed interest rate of 1.5% guaranteed maximum premium charges, maximum expense charges, maximum cost of insurance rates, and credited bonuses, if applicable.

[5] Retirement income sources may include 401(k)s, nonqualified annuities, and Allianz Life Pro+ policy loans.

This strategy may be **appropriate** if you are:

- Married
- Both high-wage earning (at least $75,000 annual income each)
- Closer in age (must be 1-5 years apart)
- Healthy
- Needing life insurance for things like income replacement, debt payoff, or to supplement a college funding strategy
- Needing other sources of supplemental retirement income

Allianz Life Pro+® can provide death benefit protection ***plus*** a way to supplement your retirement income strategy. Contact your financial professional to find out more.

This strategy may **not be appropriate** for all situations

CONSIDERATIONS

- This is one of the many possible strategies to supplement your retirement income and/or enhance your Social Security payout.
- You must be legally married. A domestic partnership is not enough. Same rules apply to same-sex couples.
- If one person has a lower income (not a high-wage earner), the couple would lose the lower person's Social Security income at death. (This may not have the impact of losing the higher wage earner's Social Security income.)
- If there is a significant age gap (for example, if the younger spouse is under age 62 when the older spouse is already accessing Social Security income) and the older spouse dies, the younger spouse won't receive any Social Security income until age 60.
- Keep in mind that policy loans may be more or less than originally illustrated and will reduce your available death benefit and cash value which may cause the policy to lapse. If the policy lapses, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax, which can be a substantial amount of taxable income. If taking policy loans, you need to ensure that you are managing your policy values to ensure that the policy remains in force.
- Please consult with your financial professional to receive information about Social Security benefit options that may be appropriate for your individual circumstances.

Life insurance policies have certain fees and charges associated with them that pay for the death benefit, underwriting expenses, and issuing and administering the policy.

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

Product and feature availability may vary by state.

Please note that Allianz Life Insurance Company of North America, its affiliated companies, and their representatives and employees do not give legal or tax advice, or advice related to Social Security benefits. For more information, please visit your local tax advisor, attorney, or Social Security Administration office for your particular situation.

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