



An introduction to fixed index universal life insurance

Life insurance isn't "one-size-fits-all."

Allianz Life Insurance Company of North America



Tailor your insurance to help ensure a good fit.

Like a good suit, life insurance should be tailored to fit you.

Why do you need life insurance? Perhaps you want to provide a death benefit for your family. Maybe you have a business to protect, or you want an additional source of income down the road. No single type of life insurance is suited to everyone, but one of these policies may be a good fit for you.

Term insurance

Term policies provide life insurance coverage for a specific period of time. If you buy a 20-year term policy and live to the end of the term, for example, the policy will terminate. Term policies offer the advantage of level premium for the specified term. Some also offer options to continue coverage at the end of the term, or special features such as return-of-premium riders (these features may vary by product, and are available at extra cost).

Whole life

Whole life insurance offers the predictability of level premium payments and provides coverage for your entire life (instead of a set term). Whole life policies also have a cash value that you may be able to access under certain circumstances.

Universal life

Universal life insurance provides coverage for your entire lifetime. It also offers you the flexibility to pay your premiums at any time and in any amount (subject to some limits), as long as the policy expenses and cost of coverage are met. Universal life policies also have a cash value that can accumulate at a declared interest rate, and which you may be able to access under certain circumstances.

Fixed index universal life

Fixed index universal life (FIUL) insurance works the same way as a universal life policy, but with the addition of potential indexed interest. Indexed interest is credited based on changes in an external index or indexes, which you choose when you buy the policy. Your policy's cash value can grow tax-deferred, and you can access this value through loans or withdrawals. FIULs also offer optional riders that allow you to customize your coverage. These riders may be available at an additional cost.



An FIUL policy can be part of your overall financial strategy.

A solid financial strategy should allow you the flexibility to deal with life's "what ifs." The coverage and flexibility of an FIUL can make it a useful part of your financial strategy. FIUL policies:

Provide life insurance coverage

First and foremost, FIULs are life insurance policies. They can offer the reassurance of knowing that if you die, your beneficiaries will receive a death benefit.

Offer flexible premium schedules and optional riders

You can adjust your premium payments to fit your lifestyle. You can also select one or more "riders" that provide additional benefits or coverage for specific situations!

Offer an opportunity for accumulation

With an FIUL, your policy's cash value has the potential to increase based on changes in an external index, but your principal is guaranteed.²

Also provide access to your cash value

An FIUL may help you be better prepared for life's unexpected events. FIUL policies have a cash value account. As you pay premiums, a portion of each payment is placed in this account, where it can grow tax-deferred. If you need to, you can access your policy's cash value through loans or withdrawals.

¹Riders are available at an additional cost when you purchase your policy, and availability may vary by state. Ask your agent for details.

²Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

What makes an FIUL different?

Three words: Indexed interest potential

With an FIUL policy, part of your premium can earn interest based on changes in an external index. We call this "indexed interest."

When you purchase your policy, you can select one or more index allocation options. We track the performance of your index(es) for you and then use a crediting method to calculate the indexed interest.

At the end of each policy year, if the result is positive you'll automatically receive indexed interest (subject to a cap, which we define on page 4). Any interest you do receive is locked in each year – and once it's locked in, it can never be lost, even if the index drops below this amount.

If the result is negative, you'll receive no indexed interest, but your policy's cash value won't decrease. This is because you're not actually participating in the market or investing in any stock or bond.

Standard & Poor's 500[®] index (S&P 500[®]) is comprised of 500 stocks representing major U.S. industrial sectors. "Standard & Poor's[®]," "S&P[®]," "S&P 500," "Standard & Poor's 500," and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Allianz Life Insurance Company of North America. The product is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the product.

Although an external index or indexes may affect your policy values, the policy does not directly participate in any stock or equity investments. You are not buying shares of any stock or index.

Crediting methods

Indexed interest is credited annually to your policy. The amount is calculated through one of three crediting methods, which you choose when you buy your policy. No single crediting method is best in all situations, so ask your agent to provide illustrations before you buy your policy.

Monthly sum – Every month, Allianz tracks the positive and negative monthly changes in the market index(es). Each monthly positive change is subject to the cap and the negative change is not subject to a cap.

At the end of each year, the 12 months' changes are added up and, if positive, the total is credited to your policy. If the total is negative, the indexed interest for that year will be zero. The cap is subject to change on an annual basis..

The hypothetical examples are used to illustrate the crediting methods only. Actual performance will vary. Not a guarantee of future results. Owners of an FIUL policy are not buying shares of any stock or index.

The following examples use actual S&P 500 data from 2007 – 2008 and a 3.4% monthly cap. Increases impacted by the cap are shown below in bold type.

January 1 – December 31, 2007

End of month	S&P 500 monthly change	Capped monthly change
January 2007	1.41%	1.41%
February 2007	-2.18%	-2.18%
March 2007	1.00%	1.00%
April 2007	4.33%	3.40%
May 2007	3.25%	3.25%
June 2007	-1.78%	-1.78%
July 2007	-3.20%	-3.20%
August 2007	1.29%	1.29%
September 2007	3.58%	3.40%
October 2007	1.48%	1.48%
November 2007	-4.40%	-4.40%
December 2007	-0.86%	-0.86%
Sum	3.90%	2.80%
Indexed interest rate¹		2.80%

January 1 – December 31, 2008

End of month	S&P 500 monthly change	Capped monthly change
January 2008	-6.12%	-6.12%
February 2008	-3.48%	-3.48%
March 2008	-0.60%	-0.60%
April 2008	4.75%	3.40%
May 2008	1.07%	1.07%
June 2008	-8.60%	-8.60%
July 2008	-0.99%	-0.99%
August 2008	1.22%	1.22%
September 2008	-9.08%	-9.08%
October 2008	-16.94%	-16.94%
November 2008	-7.48%	-7.48%
December 2008	0.78%	0.78%
Sum	-45.45%	-46.81%
Indexed interest rate¹		0.00%

¹ The sum of capped monthly changes equals the year's indexed interest rate with a 0% floor protection.

Monthly average – We track the positive and negative monthly index values. At the end of the policy year, we add up those index values and divide them by 12 to determine the average. We then subtract the starting index value from the average

to determine the amount of positive or negative change in the index. This amount is divided by the starting value to determine the percentage of annual growth. This amount can never go below zero.

The following examples use actual S&P 500 data from 2007-2008, a 110% participation rate, and no annual cap.

January 1 – December 31, 2007

End of month	S&P 500 index value
December 2006	1418.30
January 2007	1438.24
February 2007	1406.82
March 2007	1420.86
April 2007	1482.37
May 2007	1530.62
June 2007	1503.35
July 2007	1455.27
August 2007	1473.99
September 2007	1526.75
October 2007	1549.38
November 2007	1481.14
December 2007	1468.36
Average index value	1478.10
Initial index value	1418.30
Percentage of change	4.22%
Participation rate	110%
Indexed interest rate¹	4.64%

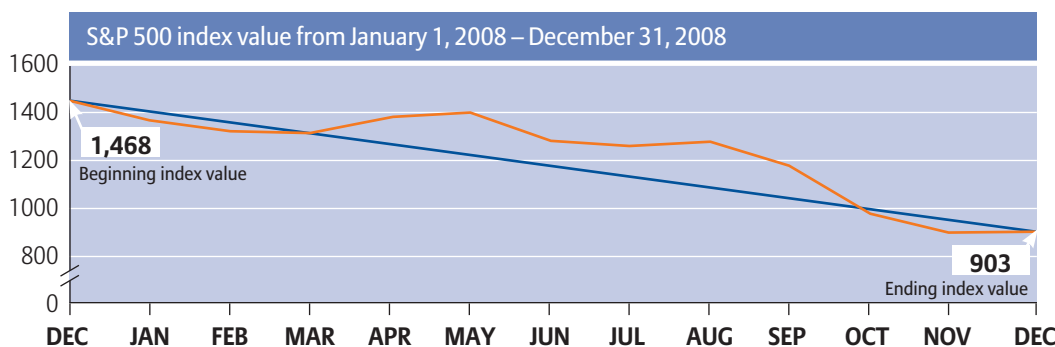
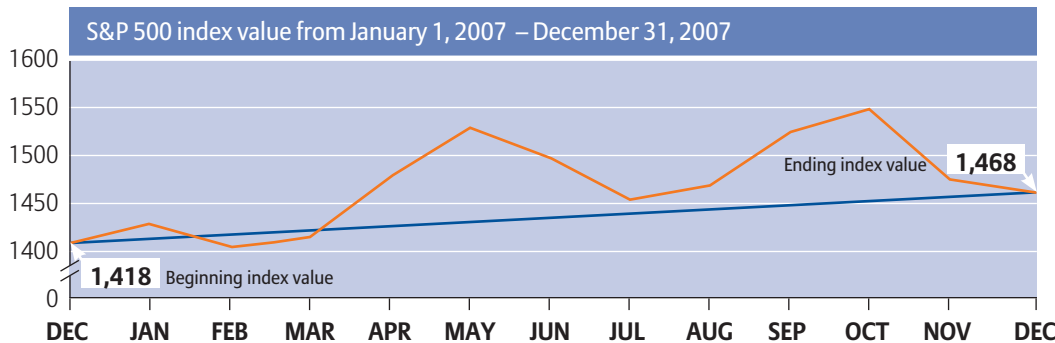
January 1 – December 31, 2008

End of month	S&P 500 index value
December 2007	1468.36
January 2008	1378.55
February 2008	1330.63
March 2008	1322.70
April 2008	1385.59
May 2008	1400.38
June 2008	1280.00
July 2008	1267.38
August 2008	1282.83
September 2008	1166.36
October 2008	968.75
November 2008	896.24
December 2008	903.25
Average index value	1215.22
Initial index value	1468.36
Percentage of change	-17.24%
Participation rate	110%
Indexed interest rate¹	0.00%

¹ Indexed interest rate = Percentage of change x participation rate (110%) with a 0% floor protection.

Annual point-to-point – This method tracks changes in the S&P 500 index from one policy anniversary to the next. Any positive change from the previous year, up to the cap, is credited to the policy’s cash value. If that change is negative, the indexed interest for that year is zero.

The following examples use actual S&P 500 data from 2007-2008, a 100% participation rate, and a 13% annual cap.



Fixed interest – As an alternative to indexed interest, you can allocate part or all of your money to a fixed interest account.

Other “moving parts”

People sometimes talk about “moving parts” to describe the mechanisms that drive some financial vehicles. These moving parts may also affect how much indexed interest you receive, and could include:

Participation rate – When the indexes reflect a positive change, the cash value of your policy will increase, subject to a percentage known as the participation rate.

- If you choose the monthly sum or annual point-to-point crediting methods, Allianz will guarantee a 100% participation rate over the life of the contract (subject to a cap).
- If you choose the monthly average crediting method, Allianz will establish the participation rate every year. This rate is guaranteed to never be less than 25%.

Cap – A cap sets the maximum percentage of interest your cash value can earn. The cap can be monthly or annual, depending on the crediting method you choose. Allianz establishes this on the anniversary and guarantees it for one year.

Fees – All life insurance products carry fees, but Allianz products don’t have any hidden fees or charges. For information about a specific product’s fees, please consult the consumer brochure for the product you’re considering.

Annual floor – This represents the minimum annual interest rate your policy will be guaranteed in a given year. The annual floor may vary among different Allianz products, and you may change it from year to year on your policy anniversary.

Naturally, this is only a summary. For up-to-date, product-specific information, ask your financial professional for a brochure of the product he or she is recommending.

How can you access your cash value?

Your policy gives you access.

An FIUL gives you several ways to access your policy’s cash value:

Free withdrawal – You may request a free withdrawal (or “partial surrender”) from your Allianz FIUL policy if the need arises.

Participating loan – Your policy’s cash value still receives indexed interest when you take a “participating loan.” The interest charge of the loan can be offset by the potential indexed interest credits.

Standard loan – You may take a loan from your fixed interest allocation anytime during the first 10 policy years for a low net 2% cost.

Preferred loan – You may take a loan from your fixed interest allocation anytime after the first 10 policy years at a net 0% cost.

Some of these options may have restrictions, and excess withdrawals may incur fees, or cause your policy to lapse. Please ask your financial professional for more details about the Allianz policy you’re considering.

Policy loans will reduce available cash values and death benefits, and may cause the policy to lapse or affect any 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.

Why should you consider an FIUL policy?

Depending on your unique situation, it may be the right fit.

Lots of factors determine whether a life insurance product is right for you, and no single product can meet everyone's needs.

If you want the reassurance of having life insurance, potential cash accumulation, plus the option to access your premium down the road, an FIUL policy may be one good option.

Ask your agent to show you how an FIUL policy from Allianz may help meet your needs. It might just be the right fit.

Allianz. Financial solutions from A – Z.®

**Tailor your insurance to help ensure a good fit.
Ask your agent to show you how.**

www.allianzlife.com

Products are issued by:

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Product availability and features may vary by state.

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