

Fixed index  
universal life  
insurance



## Using the Index Lock to capture potential interest

A strategy to help protect  
against a 0% credit

Meet Julie, who's seeking more financial protection, more retirement income – and reduced market risk.

Julie, a hypothetical client, is 45 years old and a mother who works in account services for a software developer. As a single parent, Julie wants to make sure her daughter is provided for if she (Julie) should die prematurely and would like to create a supplemental source of income for retirement to help cover any gaps in her financial strategy.

However, she is wary of taking on too much market risk in return for accumulation potential.

**FIULs** combination of benefits can address her need for death benefit protection and help with her other long-term financial goals.

### **Julie's potential solution: Adding fixed index universal life (FIUL) insurance to her overall financial strategy**

Meeting with her financial professional, Julie chooses Allianz **Life Pro+® Advantage** Fixed Index Universal Life Insurance Policy. Its unique combination of benefits can address her need for death benefit<sup>1</sup> protection and help with her other long-term financial goals.

Julie was particularly interested in the potential to build her accumulation value based on increases in one or more external market indexes. Because her money is not actually invested in these indexes, this appeals to Julie and her low threshold for risk tolerance.

But there's another feature that can help reduce the impact of future market volatility.

**Keep reading to find out about Index Lock.**



<sup>1</sup>The death benefit is generally income-tax-free when passed on to beneficiaries.

FIUL is not a guaranteed source for retirement income.

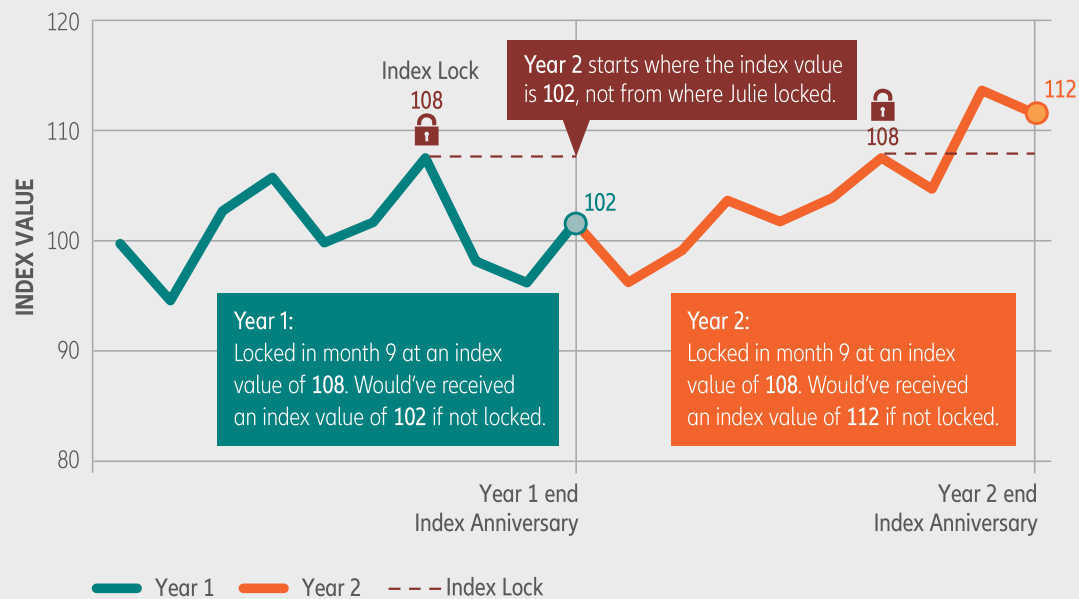
# Index Lock can lock in an annual index value and provide a level of certainty in volatile markets.



With Index Lock, Julie has the ability to lock in an annual index value at any point once during the crediting period, prior to the policy anniversary. This gives her the potential to capture an increase and avoid the possibility of ending the crediting period with a 0% credit.

She can lock an index value simply by activating the Index Lock (either manually, or with Auto Lock). Learn more about manual lock and Auto Lock on the next page in the [Questions and Answers](#) section.

## HOW JULIE USES INDEX LOCK



This hypothetical chart is provided to show how a crediting method and the Index Lock feature could affect policy values. It does not predict or project the actual performance of a specific product or its allocation options.

**Julie's policy year 1** began with her selected market index having a value of 100. After several ups and downs, when the index value reached 108, Julie chose to lock it in rather than subject herself to further market volatility in the period.

**By locking in this value, Julie would have received more than the index's value (102) at the policy year's end.**

**Julie's policy year 2** began with the index value at 102. During the year, Julie again chooses to lock in when the index value rises to 108.

**In this case, had Julie not locked in, she could have received a higher index credit – 112 – at year's end. Still, by locking in, she would have ensured that she received an index credit she would be satisfied with.**

Index Lock is available with Bloomberg US Dynamic Balance II ER Index and PIMCO Tactical Balanced ER Index.



**To learn more about the Index Lock feature and fixed index universal life insurance, contact your financial professional.**

# Questions and answers about Index Lock

## HOW DO I ACTIVATE INDEX LOCK?

### Option 1: Auto Lock

Index Lock can be activated automatically with our Auto Lock feature. At any time during the crediting period, simply set the index interest rate percentage you wish to target. If your allocation option reaches your target (or higher), Auto Lock will automatically lock in that value until the end of the crediting period.<sup>1</sup>

Setting Auto Lock is easy; just go online and log into your policy. In the Allocation and Index Performance section, click on the Index Lock/Set Target button. You can change your index interest rate percentage (target) as many times as you wish, as long as Auto Lock hasn't been activated during that crediting period.

### Option 2: Manual lock

You can also request a manual lock at any time within the crediting period, if a lock has not already taken place.<sup>2</sup> Note that, because the Index Lock occurs at the end of the business day, depending on when you request your lock, the index value may be more or less than the value at the time of the request.

## CAN I ELECT INDEX LOCK ON MULTIPLE INDEX ALLOCATIONS?

Yes. If you have chosen more than one index allocation that offers the Index Lock feature, you can initiate a lock on each individual index allocation. Different index allocations can be locked on different days.

## WHAT IS THE AUTO LOCK TARGET?

If at the end of the business day the allocation option's value is equal to or greater than the Auto Lock target (index interest rate percentage), Index Lock will activate.

When setting the Auto Lock target online, please know the following:

- **For Bonused or Select index allocations**, the target you set is equal to:  
Index return x participation rate x applicable bonus rate
- **For the Classic and Standard index allocations**, the target you set is equal to:  
Index return x participation rate  
For the Classic index allocations, the bonus is not included in the target. The bonus is calculated monthly and applied to the current value in each Classic index allocation. The Standard allocations do not have a bonus.

<sup>1</sup> Setting targets authorizes Allianz to automatically activate an Index Lock once the target is reached based on the index interest rate percentage at the end of the business day. Targets need to be renewed after each crediting period and must be greater than the current index return for the crediting period. This service may be discontinued at any time.

<sup>2</sup> Activating Index Lock manually will cancel any current targets you have set for the current crediting period.

**Must be accompanied by the appropriate fixed index universal life insurance product consumer brochure.**

The indexes available within the policy are constructed to keep track of diverse segments of the U.S. or international markets, or specific market sectors. These indexes are benchmarks only. Indexes can have different constituents and weighting methodologies. Some indexes have multiple versions that can weight components or may track the impact of dividends differently. Although an index may affect your interest credited, you cannot buy, directly participate in, or receive dividend payments from any of them through the policy.

Bonused products may include higher surrender charges, longer surrender periods, lower caps, or other restrictions that are not included in similar products that don't offer a bonus. The index allocations that offer the interest bonus will generally have lower caps and participation rates. Not all bonuses guarantee that a policy will be credited with an interest bonus every year as some are based on the growth of an index.

## WHEN WILL THE INDEX VALUE BE LOCKED?

**Auto Lock:** Locks at the end of the business day if the value meets or exceeds the Auto Lock target that is set. If a target isn't met during your crediting period, you will receive the indexed interest rate percentage based on the index value at the end of your crediting period.

**Manual lock:** If you request an Index Lock prior to 4:00 p.m. Eastern time on a business day, the index will lock at the ending index value of that business day. If you request the lock after 4:00 p.m. Eastern time on a business day, the index will lock at the ending index value at the end of the following business day.

A business day is defined as each day on which the New York Stock Exchange (NYSE) is open for trading and closes when regular trading on the NYSE closes.

## WHEN IS THE INDEXED INTEREST CREDIT APPLIED TO MY POLICY?

The indexed interest credit is applied at the end of the crediting period based on the locked index value. Even if you elect the Index Lock halfway through the crediting period, the indexed interest credit will not be applied until the end of the crediting period. The Index Lock feature is available with certain index allocations.

## I ELECTED THE INDEX LOCK AND THE EXTERNAL INDEX VALUE HAS INCREASED. CAN I LOCK IN THE HIGHER VALUE?

No. You can only elect the Index Lock on each index allocation once per crediting period. After an index allocation is locked, it cannot be unlocked until the beginning of the next crediting period.

## WILL MY INDEX LOCK VALUE BE THE BEGINNING VALUE FOR THE NEXT CREDITING PERIOD?

No. The beginning index value for the next crediting period will be the actual index value at the end of the previous crediting period (not the Index Lock value).

## CAN I CANCEL MY INDEX LOCK REQUEST?

**Manual lock:** Your Index Lock request can be cancelled only by calling our service team at 800.950.1962 before 4:00 p.m. Eastern time on the day the index value will be locked.

**Auto Lock:** You can change your target as many times as you wish, as long as Auto Lock hasn't been activated during that crediting period. However, if a lock has taken place it cannot be undone.

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as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz is proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

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