

Chronic Illness Accelerated Death Benefit Rider

An option for the unexpected



Protection for the what-ifs

When a serious health concern arises, like an unexpected chronic illness, the road to getting better may take a while, and expenses can begin to add up – to the point that it can affect how you plan for your financial future and your retirement years.

Consider the varying expenses associated with traditional care.

Typical health care expenses:

Home health care (home health aide)	\$54,912 per year ¹
Adult day health care	\$19,240 per year ¹
Assisted living facilities (one bedroom, private room)	\$51,600 per year ¹
Nursing home (private room)	\$105,850 per year ¹

How do you plan on covering some of your expenses if you become chronically ill?

It's important to protect yourself. With an Allianz fixed index universal life (FIUL) insurance policy, you have death benefit protection for your loved ones as well as a Chronic Illness Accelerated Death Benefit Rider.

With the Chronic Illness Accelerated Death Benefit Rider, you have the option to accelerate a portion of your death benefit if you become chronically ill. The rider is included with your policy, subject to age and underwriting requirements,² so protection is there when you need it most. Although there is no cost to have the rider on the policy, there is a charge if and

when the rider is exercised. The cost of the rider is based on age, premium class, current cash value, and current discount interest rate at the time of acceleration.

Keep in mind, for individual FIUL insurance policies, the insured individual may accelerate the benefit when eligibility requirements are met. For a second-to-die policy, only the last surviving insured may accelerate the benefit, should they become eligible.

The Chronic Illness Accelerated Death Benefit Rider offers the flexibility and control to address some of the most important questions, like:

- How will I protect my assets and my lifestyle if I become chronically ill?
- Will I become a burden to my loved ones if I cannot care for myself?

A chronic illness can quickly derail your plans, especially during your retirement years. Let's take a closer look at how you could accelerate a portion of your death benefit to help cover expenses if you became chronically ill.

¹Genworth Cost of Care Survey 2020, conducted by CareScout, August 2020.

²Available on policies with a standard risk class rating or better.

Must be accompanied by the appropriate Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy consumer brochure.

This content is general information for educational purposes and is not intended to constitute fiduciary advice. Please consult your financial professional for a specific recommendation about purchasing this product.

How the Chronic Illness Accelerated Death Benefit Rider works

1 You purchase an Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy, and the Chronic Illness Accelerated Death Benefit Rider is included at no initial cost. A cost is incurred only if the rider is exercised.¹

2 If you are the insured on a policy and you become chronically ill – i.e., you are unable to perform two out of six activities of daily living (bathing, eating, dressing, toileting, transferring, or continence) for at least 90 continuous days – or need substantial supervision due to cognitive impairment, the rider accelerates a portion of your death benefit to you.

3 Before the request for an accelerated benefit, a certification of chronic illness must be written by a physician within 12 calendar months of the diagnosis.

4 Your death benefit will be decreased by the requested accelerated benefit amount. The accumulation value and cash value will be proportionally reduced by the amount of the accelerated benefit.

5 During the death benefit acceleration, a discount factor² will be applied, so the actual amount you receive will be less than the requested accelerated benefit. Accelerated benefits may be taxable. You should consult with your tax advisor to discuss your specific situation.

¹The Chronic Illness Accelerated Death Benefit Rider is included with the policy, subject to age and underwriting requirements. There is a fee charged as a discount factor against every accelerated payment if the rider is exercised. The rider is not available if the insured is under the age of 18.

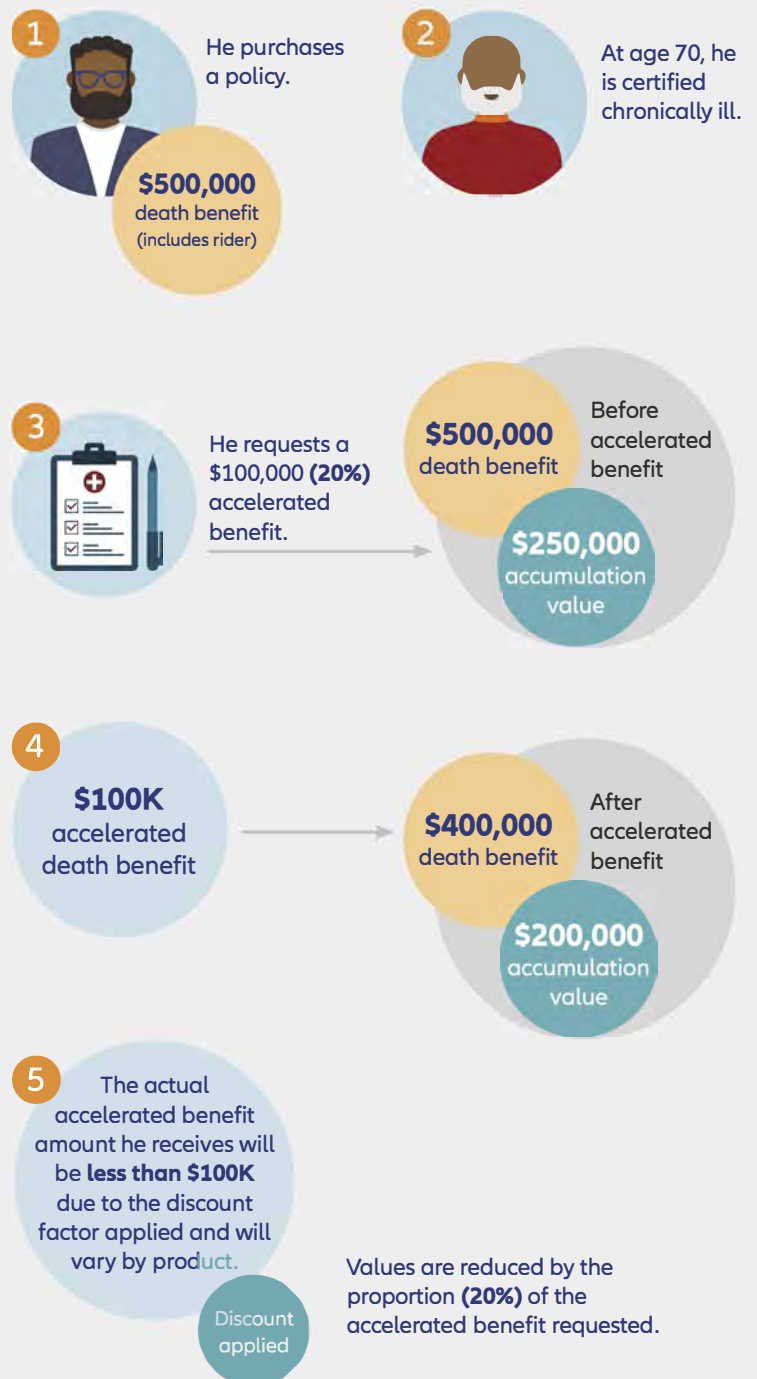
²The discount factor is based on age, premium class, current cash value of the policy, and current discount factor interest rate at that time. The maximum discount factor is determined by the life expectancy of the insured and the discount factor at the time of acceleration.

In New Jersey, a Chronic Illness Accelerated Benefit Rider will not be available for an applicant who already has an existing Chronic Illness Accelerated Benefit Rider issued by Allianz Life Insurance Company of North America (Allianz).

Example assumes:

Product: Allianz Life Pro+® Advantage

Age: 45 | **Gender:** Male | **Risk class:** Preferred nontobacco



OTHER IMPORTANT POINTS TO CONSIDER:

- Chronic illness must manifest on or after the issue date of the policy, and/or the insured's 18th birthday, whichever is later.
- You can elect to accelerate a portion of your death benefit once every 12 calendar months, if necessary. A request form must be submitted each year you want to receive the benefit.
- To ensure there is still a death benefit for your beneficiaries, a residual death benefit (the greater of 5% of the basis¹ or \$10,000 of the available death benefit amount) is reserved when the initial acceleration election request is made.
- The minimum chronic illness accelerated benefit amount at each acceleration election is the lesser of 5% of the basis¹ or \$75,000; the maximum is the lesser of 25% of the basis¹ or \$250,000.
- The maximum amount we will accelerate is \$1 million per policy with a cumulative maximum of \$1 million for all policies issued by Allianz.
- Accelerated benefits may be taxable. Benefits paid as an acceleration of death benefit under code 101(g) generally are excludable from income for federal tax purposes. However, they may be taxable if the IRS per diem limit is exceeded. The per diem limit can change on an annual basis. You should consult with your tax advisor to discuss your specific situation.
- Policy loans can still be taken while receiving accelerated benefits. A portion of each accelerated payment will be used to repay any outstanding policy loans.²

¹Basis is equal to the current death benefit at the time of the first acceleration.

²Policy 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.



TALK TO YOUR FINANCIAL PROFESSIONAL about how an **Allianz® FIUL policy with the Chronic Illness Accelerated Death Benefit Rider** can help protect your beneficiaries and your financial future.

True to our promises so you can be true to yours®

A leading provider of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) bases each decision on a philosophy of being true: **True to our strength** as a key part of a leading global financial organization. **True to our passion** for making wise investment decisions. **True to building a culture** where everyone feels welcomed, included, and valued. And **true to the people we serve**, each and every day.

Through a line of innovative products and a network of trusted financial professionals, and with 3.7 million contracts issued, Allianz helps people 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.

While we are proud of our financial strength, we are made of much more than our balance sheet. By being true to our commitments and keeping our promises, we believe we make a real difference for our clients. It's why so many people rely on Allianz today and count on us for tomorrow – when they need us most.

Products are issued by:

**Allianz Life Insurance Company
of North America**

5701 Golden Hills Drive
Minneapolis, MN 55416-1297

www.allianzlife.com | 800.950.1962

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

• Not FDIC insured • May lose value • No bank or credit union guarantee
• Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

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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