Allianz Life Insurance Company of North America

FINANCIAL PROFESSIONAL GUIDE

Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy

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Contents

Add powerful, versatile advantages to your clients' overall financial strategy.

No one can predict their future financial needs with certainty. But with Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy, clients can have protection today – plus flexibility for future needs.

Allianz Life Pro+® Advantage can provide death benefit protection, tax-deferred accumulation potential, and flexible options that adapt as your clients' needs change. Multiple advantages throughout life – all from one financial solution:

- **The advantage of protection:** Allianz Life Pro+® Advantage not only provides a death benefit that's generally income-tax-free – but also provides your clients the opportunity for additional term coverage today with the ability to convert into permanent coverage down the road with the Supplemental Term Rider.[1]
- **The advantage of accumulation potential:** Build tax-deferred accumulation potential without losses due to market volatility.[2]
- **The advantage of flexibility:** Your clients have the opportunity to access loans or withdrawals[3] that may be income-tax-free, to help supplement retirement income, complement a college funding strategy, or pay for emergencies.

Typical client concerns:

- Income replacement in the event of premature death
- Access to funds for future needs
- Continuing their current lifestyle in retirement
- Worries about outliving retirement savings
- Supplementing a college funding strategy
- Maintaining their lifestyle in the event of a chronic illness
- Strategies for the continuation of a business

[1] See Supplemental Term Rider information later in this guide.

[2] Fees and expenses will reduce the cash value.

[3] Policy loans and withdrawals will reduce the available cash value and death benefit and may cause unintended consequences, including lapse or taxable events. Please see the full loan and withdrawal disclosure within this material for details.

Key product benefits

Issue ages: 0-80 (we use actual age versus age nearest).

RISK CLASSES

Nontobacco (ages 18-80)
Preferred Plus Nontobacco
Preferred Nontobacco
Standard Nontobacco (Standard rates apply through Table 2)

Tobacco (ages 18-75)
Preferred Tobacco
Standard Tobacco (Standard rates apply through Table 2)

Juvenile (ages 0-17)[1]

Risk classes are assigned based on insurance risk as determined through the underwriting process.
Please call our life underwriters if your client is:

- over the age of 70
- a professional athlete
- in the entertainment industry
- a participant in private aviation
- a large case with target premium over $200,000

LIFESTYLE CREDITS

Those with favorable lifestyle factors are a better risk than those with an unfavorable lifestyle, and we give them credit for that. A one risk class improvement will automatically be applied if your client is eligible.

Conditions of eligibility
Age 25-70
Non-rated cases
Maximum face amount $5 million

TAX COMPLIANCE TEST

The test must be chosen at time of application and cannot be changed after issue:

- Guideline premium test
- Cash value accumulation test

PREMIUM

Minimum premium: Based on age, gender, risk class, death benefit, and riders, but never less than $25/month or $300/year.

Premium bands
$100,000-$299,999
$300,000-$499,999
$500,000-$999,999
$1,000,000+

Planned Premium: The amount of premium they plan to pay each policy year.

Base Premium: During the first policy year, it's equal to the Planned Premium. In later years, it's equal to the lesser of the Planned Premium and the actual amount of premium paid during the previous policy year. Any premium paid that is less than the Base Premium will be placed into the current allocations. Any premium paid that is greater will be placed into the Interim Account and may be allocated to chosen allocations in the following year.

Clients can change the Base Premium for any Policy Year prior to the end of the Base Premium Period. The Base Premium must be equal to the Planned Premium, and your client must provide us notice that the premium received is intended to change the Planned Premium. Premium received without providing us notice that this premium is intended to change the Planned Premium will be applied to the policy but will not change the Planned Premium. Any changes to the Planned Premium may not exceed the Base Premium Cap.

[1] Risk class change is available at age 18 subject to current evidence of insurability.

Standard Premium: Any premium applied during a Policy Year up to the Standard Premium Amount shown on the Policy Schedule.

Below is an example showing how much premium will be allocated to each account for a sample policy:

	Year 1	Year 2
Planned premium	$1,000	$1,000
Premium Paid	$900	$1,500
Base Premium	$1,000	$900
Index Allocation	$900	$900
Interim Interest Allocation	$0	$600

GUARANTEES

Policy Protection Period guarantee: If your client pays the minimum premium amount without taking policy loans or withdrawals, the policy is guaranteed not to lapse per the guidelines below.

Issue age	Period in policy years
0-65	10
66	9
67	8
68	7
69	6
70-80	5

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

PREMIUM DEPOSIT FUND RIDER[1]

The Premium Deposit Fund (PDF) Rider combined with Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy provides all of the tax advantages of life insurance with the simplicity of a single lump-sum payment. Your client submits a lump-sum amount to the PDF, and we automatically transfer the annual planned premium payments into the life insurance policy.[2] Your clients will receive the current Premium Discount Rate as the premium is transferred from the PDF into the life insurance policy[3] – which means that their out-of-pocket premium is discounted.

DEATH BENEFIT

- **$100,000** is the **minimum death benefit** on the primary insured.
- **$50,000** is the **minimum increase in death benefit** on the insured.
- **$65,000,000** is the **maximum death benefit** on the insured (subject to limitations). Internal retention and autobind limits will apply.[4]

DEATH BENEFIT OPTIONS

- **Death benefit option A (level):** The death benefit will be equal to the specified amount less any partial surrenders or outstanding policy loans.
- **Death benefit option B (increasing):** The death benefit will be equal to the specified amount plus the accumulation value, less any partial surrenders or outstanding policy loans.
- **Death benefit option C (return of premium):** The death benefit is equal to the specified amount plus the premium that is paid into the policy, less any partial surrenders or outstanding policy loans.

DEATH BENEFIT SETTLEMENT PROVISIONS

The death benefit increases by 10% if the beneficiary(ies) chooses to take policy proceeds over a period of 10 years or longer. The death benefit increase may be taxable.

- **Option A:** Installments for a guaranteed period of five to nine years
- **Option B:** Installments for a guaranteed period of 10 to 30 years
- **Option C:** Installments for life with a guaranteed period over five to 30 years
- **Option D:** Installments of a selected amount for five to nine years
- **Option E:** Installments of a selected amount for 10 to 30 years
- **Option F:** Installments over joint and survivor

The death benefit is also payable in a single lump sum.

[1] This rider is not available in all states.

[2] Minimum number of planned premium transfers is three, and the maximum number of premium transfers is 10.

[3] The Premium Discount Rate is guaranteed on an annual basis and will never be less than 0.25%. It does not apply to first-year premium.

[4] Death benefits greater than our internal retention, autobind, or jumbo limits will need reinsurance consideration.

AT AGE 120

When the insured turns 120, the death benefit equals the accumulation value. All loans will be allocated to the fixed allocation and will be charged the preferred loan rate.

ACCESS TO THE CASH VALUE

There are several ways to access the policy's potential cash value accumulation without incurring surrender charges while the insured is still living:

- **Indexed loan:**[1] This type of loan offers competitive loan amounts with an annual loan rate that's locked in at 5% and won't change for the life of the policy.[2] It is an up front charge which increases the outstanding policy loan in advance. The annual loan rate can be offset by potential credited indexed interest. Indexed interest is credited to loaned and unloaned values on the policy anniversary. If indexed interest is zero or less than the loan charge, the loan charge will not be offset.
- **Fixed interest loans:**[1] Fixed interest loans can be taken from the policy anytime there is available cash value. The loan charge is locked in when your client purchases the policy and is an up front charge. The credit is applied on each policy anniversary that the loan is outstanding.
  - **Policy years 1-10:** 2.91% charge, 2% credit
  - **Policy years 11+:** 1.96% charge, 2% credit
- **Partial withdrawal:**[3] A partial withdrawal (or "partial surrender") from the policy may be requested if the need arises. Partial withdrawals reduce policy values (including the death benefit) and may be subject to a maximum charge of $50. Partial withdrawals could also affect the death benefit guarantee.
- **Full surrender:** If the request of a full surrender occurs during the policy's surrender period (12 years), a full surrender charge will apply. The surrender charge is based on age, gender, risk class, and death benefit amount.

ACCESS TO THE DEATH BENEFIT

- **Terminal Illness Accelerated Death Benefit Rider:**[4] If the insured is diagnosed with a terminal illness that results in a life expectancy of 12 months or less, 100% of the policy's death benefit (up to $1 million) is available while the insured is still alive. The insured will receive a payment at the time it is taken equal to the accelerated benefit amount discounted for one-half year's interest using the maximum loan charge. This benefit is subject to eligibility conditions that may vary by state. Receipt of benefits may be taxable, and your client should consult their tax advisor.
- **Chronic Illness Accelerated Death Benefit Rider:**[4,5,6] Subject to certain age and underwriting requirements, this rider may be included with your client's policy at the time it is issued. The Chronic Illness Accelerated Death Benefit Rider allows the policyholder to accelerate the death benefit if the insured becomes chronically ill or cognitively impaired (under specific criteria). A portion of the death benefit can be accelerated once every 12 calendar months. The maximum Chronic Illness Accelerated Benefit available for all Allianz policies is $1,000,000.

[1] 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 your clients should consult a tax professional.

[2] The 5% index loan charge rate is guaranteed at issue for the life of the policy.

[3] Withdrawal and partial surrender terms can be used interchangeably and are referenced as partial surrenders in the policy.

[4] This rider name may vary by state.

[5] The 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 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.

[6] This rider is not available if the insured is under age 18.

Accumulation potential

Allianz Life Pro+® Advantage has a variety of crediting allocation options available.

Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy offers your clients two ways to receive interest: They can allocate all or part of their policy's accumulation value to one or more **indexed allocations**, which can earn **indexed interest** based on the positive performance of an external market index. They can also allocate their accumulation value to a **fixed interest allocation**, which will earn a consistent, fixed interest rate annually.

How indexed interest works

Your client selects one or more indexed allocations, and the performance of this index(es) is tracked. If the index performance is positive, we use a crediting method to calculate how much indexed interest will be credited to their policy's accumulation value. We credit indexed interest annually, on the policy anniversary.

It's important to note that although we track an external index, the policy does not directly participate in any equity or fixed income investments. Because they are not buying shares in an index, the accumulation value will never decrease due to negative index performance. However, fees and charges will reduce the policy's accumulation value.

Annual reset

Indexed interest will be credited and locked in on each policy anniversary. At the end of each year, the ending index value becomes the next year's starting value.

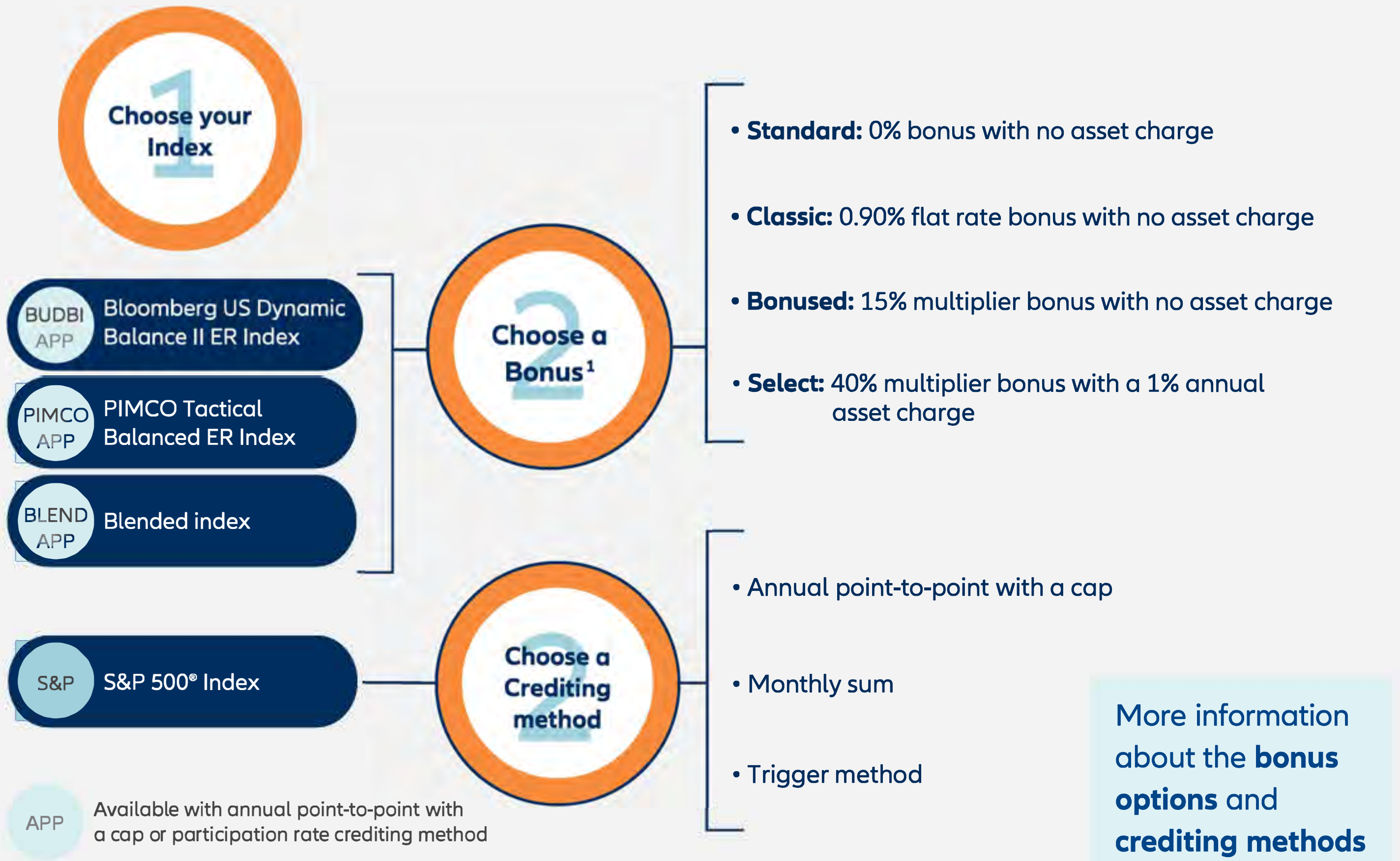
How fixed interest works

As an alternative to indexed interest, clients also have the option of allocating part or all of their cash value to a fixed interest account. The fixed interest rate is guaranteed to never be less than 0.1%. The fixed interest rate may vary by state.

Keep in mind that no single index allocation will be most effective in all market environments. That's why your client has the flexibility to change their indexed or fixed allocations on each policy anniversary. Regardless of which option(s) they choose, any interest that is credited grows tax-deferred, giving their accumulation value even greater accumulation potential.

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 client's interest credited, they cannot buy, directly participate in, or receive dividend payments from any of them through the policy.

If clients choose indexed interest, they have these additional choices



More information about the **bonus options** and **crediting methods** are on the following pages.

STEP 1: CHOOSE FROM A VARIETY OF INDEX OPTIONS

Because indexes can perform differently in a variety of market conditions, Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy offers you several index options. Your clients can choose one index option or diversify among multiple options.

Diversifying among indexes may help you reduce the impact of volatility and seek a more consistent return.

Bloomberg US Dynamic Balance II ER Index	PIMCO Tactical Balanced ER Index	Blended index	S&P 500® Index
Comprised of the **Bloomberg US Equity Custom Futures ER Index** and the **Bloomberg US Aggregate Custom RBI Unfunded Index** and shifts weighting between them daily based on historical realized volatility.	Comprised of the **U.S. Equity Futures Custom Index** and a bond component comprised of the **PIMCO Synthetic Bond ER Index** with a duration overlay; and shifts weighting between them daily based on historical realized volatility of the components.	A blend of four indexes, including: 35% **Dow Jones Industrial Average**, 35% **Bloomberg US Aggregate Bond Index**, 20% **EURO STOXX 50® Index**, and 10% **Russell 2000® Index**.	A group of **500 stocks** representing major U.S. industrial sectors.

[1] Bonused products may include higher surrender charges, longer surrender charge 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.

STEP 2: CHOOSE A BONUS AND CREDITING METHOD

With three of our index options, clients choose a bonus

With the Bloomberg US Dynamic Balance II ER Index, PIMCO Tactical Balanced ER Index, and Blended index, your clients have several bonus opportunities that can potentially increase the amount of indexed interest credited to their policy. These bonus opportunities all begin in policy year one.

- **Standard:** No bonus
  For clients who are willing to forego the potential for a bonus in favor of higher caps and participation rates, which may result in higher indexed interest received.

- **Classic:** 0.90% guaranteed flat rate bonus[1]
  A bonus design that adds a consistent bonus rate to the policy's annual accumulation value. For clients who may want a conservative approach and a guaranteed credit.

- **Bonused:** 15% multiplier bonus
  A bonus design that multiplies any annual indexed interest by 15%. For clients looking for a moderate choice with bonus potential but no charges associated with the bonus.

- **Select:** 40% multiplier bonus with a 1% annual asset charge
  A bonus design that multiplies any annual indexed interest by 40% but also includes a 1% annual asset charge. For clients who are willing to pay a charge in return for a higher bonus and greater indexed interest potential.

Each of these indexes is available with the annual point-to-point crediting method with either a cap or a participation rate. (You'll learn more about the crediting method, caps, and participation rates in the next section.)

The **indexed allocation** options that offer the interest bonus will generally have lower caps and participation rates.

The combination of an index and a crediting method is called an **"indexed allocation option."**

[1] Includes an allocation restriction, meaning you may not be able to allocate 100% of your accumulation value to this index, if the fixed account goes below 1%.

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CREDITING METHODS

There are three types of crediting methods available depending on which index your client chooses. The crediting method is used to determine the amount of interest a policy may be credited. It may include:

A cap, which places a limit on the amount of credit received (e.g., if the cap is 5.00% and the index's gain is 7%, your credited interest is limited to 5%)

A participation rate, which is the percentage of the index's credit received (e.g., a 110% participation rate means your client would receive 110% of the index's annual credit)

Annual point-to-point with a cap or participation rate tracks changes in an index value from one policy anniversary to the next. If there is a positive change in the index from the previous year, we'll credit the policy with any earned interest. If there is a negative change in the index value from the previous year, the indexed interest for that year will be zero (but your client will not lose value due to the drop).

The current caps and participation rates are declared at issue, guaranteed for the length of the crediting period, subject to change on an annual basis on the policy anniversary, and each has a guaranteed minimum rate:

- Annual point-to-point **with a cap:** minimum cap 0.25%, current guaranteed participation rate 100%
- Annual point-to-point **with a participation rate:** minimum participation rate 5%

Monthly sum with a cap tracks the monthly changes in an index. At the end of each year, the 12 monthly changes (positive and negative) are added up; if the total is positive, this is credited to the policy. If the total is negative, the indexed interest for that year will be zero (no loss in value due to the drop).

Remember that each monthly positive change is subject to a cap, however, there is no cap on a negative return. The positive cap can change on an annual basis on the policy anniversary but is guaranteed to never be less than 0.50%.

The trigger method tracks changes in the index from one policy anniversary to the next. Any change in the index's value that is greater than or equal to zero will trigger a predetermined interest rate – the Trigger Interest Rate – to be credited to the policy (e.g., if the Trigger Interest Rate is 5%, and the index returned 2.5%, you'd be credited with 5%).

In years when the change in the index value is greater than the Trigger Interest Rate, the credited interest will be capped at the current Trigger Interest Rate. For a negative change (less than zero), 0% will be credited to the policy (with no loss in value due to the drop). The Trigger Interest Rate is subject to change on an annual basis on the policy anniversary and is guaranteed to not go below 0.25%.

Eliminate the possibility of receiving 0% interest

Using our **Index Lock** feature, clients can lock in an index value they are satisfied with at any point once during the current crediting period. This will be the interest credit that's applied at the end of the crediting period.

Using Index Lock: a hypothetical example

Policy year 1 began with an index value of 100. After several ups and downs, when the index value reached 108, the client chose to lock it in and not subject themselves to further market volatility in the period. **By locking in this value, the client received more than the index's actual value – 102 – at the policy year's end.**

Policy year 2 began with the index value at 102. During the year, the client again chooses to lock in when the index value rises to 108. **In this case, had the client not locked in, they could have received a higher index credit – 112 – at year's end. Still, by locking in, they were able to ensure that they received an index credit they would be satisfied with.**

This hypothetical chart is provided to show how a crediting method affects policy values. It does not predict or project the actual performance of a specific product or its allocation.

How to activate Index Lock

Option 1: Auto Lock

Clients can activate Index Lock automatically with our Auto Lock feature. At any time during the crediting period, simply set the index interest rate percentage your client wishes to target. If their allocation option reaches the target (or higher), Auto Lock will automatically lock in that index value until the end of the crediting period.[1] Your client also has the option to choose auto renewal. This means the set target will continue from year to year for the length of the policy, unless it is changed or canceled.

Setting Auto Lock is easy; both you and your clients have access to go online and log in to the policy to set targets. Your client can change the index interest rate percentage as many times as they wish, as long as Auto Lock hasn't been activated during that crediting period.

Option 2: Manual lock

Clients can also request a manual lock at any time within the crediting period, if a lock has not already taken place.[2] Note that because the Index Lock occurs at the end of the business day, depending on when they request the lock, the index value may be more or less than the value at the time of the request.

As their financial professional, if your clients give you authorization, you also have access to set and execute locks on their behalf. Index Lock is available with Bloomberg US Dynamic Balance II ER Index and PIMCO Tactical Balanced ER Index. Please refer to CSI-512 for business rules.

[1] 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 unless auto renewal is active.

[2] Activating Index Lock manually will cancel any current targets you have set for the current crediting period.

Exercising an Index Lock may result in a credit higher or lower than if the Index Lock had not been exercised. We will not provide advice or notify you or your client regarding whether an Index Lock should be exercised or the optimal time for doing so.

POLICY EXPENSES AND CHARGES

- **Insurance cost charge:** Based on factors such as age, gender, and risk class
- **Monthly policy charge:** A policy charge of $7.50 per policy will be deducted every month on the monthly anniversary.
- **Premium charge:** Premiums up to the 7-pay will be charged the Standard Premium rate and additional funds will be charged the Supplemental Premium rate. Standard Premium rate:
  - **Policy years 1-9:** 8% of premium
  - **Policy years 10+:** 4% of premium
- For Supplemental Premium in excess of Standard Premium Amount:
  - **Policy years 1-9:** 14% of premium
  - **Policy years 10+:** 4% of premium
  - Premium charges may vary by state.
- **Monthly expense charge:** The expense charge is a per $1,000 charge of the policy's specified amount, and is based on factors such as the insured's gender, age, specified amount, and risk class. The expense charge is calculated at the time of policy issue. The expense charge is deducted from the current accumulation value for the first 15 policy years, or through age 32 for juveniles.
- **Surrender charge:** 12-year decreasing surrender charge based on age, gender, death benefit amount, and risk class
- **Asset charge:** 1% annual asset charge applied to the Select 40% multiplier bonus indexed allocations
- Rider charges may also apply.

Riders and benefits

Terms, conditions, and availability may vary by state.

Offer your clients optional riders with **the type of protection that fits their needs.**

SUPPLEMENTAL TERM RIDER[1]

Add extra term insurance up to 10 times the base death benefit amount of the policy. The additional coverage is convertible into base coverage within the first 10 policy years or until age 75, whichever is sooner.

- **Issue age for this rider:** 0-80
- Must be elected at issue
- **Minimum rider specified amount:** $25,000
- **Maximum rider specified amount:**

Juvenile	
Ages 0-17	5× base specified amount

	Nontobacco	Tobacco
Ages 18-50	10× base specified amount	5× base specified amount
Ages 51+	5× base specified amount	5× base specified amount

- No underwriting is required.
- Rider is not commissionable.
- **Maximum allowable conversion amount:**

Issue age	Allowable conversion amount
1	Not available
2	25%
3	50%
4	75%
5-10	100%

WAIVER OF SPECIFIED PREMIUM RIDER[1,2]

If the insured is totally disabled for at least six months (under the terms of the policy) prior to their 65th birthday, we'll credit the policy with the waiver amount the policyholder has specified. The policyholder can specify the amount of premium they would like to waive, with a minimum of $25 per month. The maximum is the lesser of $150,000 per policy year or 24 times minimum monthly premium. Receipt of benefits under this rider does not guarantee that the policy will remain in force.

- **Issue age for this rider:** 18-60
- Rider is not available with substandard risk classes or flat extra rating.
- Rider is commissionable.
- Rider can be canceled at any time.

ENHANCED LIQUIDITY RIDER[3]

This rider waives 50% or 100% of the surrender charges, which can provide greater access to any available cash value in the policy's early years.

- **Issue age for this rider:** 0-80
- Rider is available with substandard risk classes.
- Rider cannot be canceled once the policy is issued, unless it is in the free-look period.
- First-year compensation for policies with this rider is spread over a six-year schedule. Refer to the commission schedule for details.
- Rider expires on the last day of the 12th policy year, when the surrender period is over.

[1] Additional cost at time of issue.

[2] This rider is not available in all states.

[3] An agent who has a contract with commission advancing will not receive advance commissions on policies with ELR.

WAIVER OF NEW CHARGES BENEFIT

This benefit waives surrender charges, expense charges, and Enhanced Liquidity Rider charges for any coverage increases incurred in years 11+.

CHILD TERM RIDER[1]

This rider provides affordable term insurance for insured's children who are at least 15 days old, but not yet 21 years old, on the date the rider provides coverage, up to $10,000.

- **Issue age of insured:** Up to age 60
- **Issue age of the child:** 15 days to 21 years
- This rider is fully convertible to an Allianz cash value policy, without additional underwriting, on the earliest of the following dates:
  - The policy anniversary when the child is 25
  - The policy anniversary when the insured is 65
  - The death of the insured if prior to age 65

Also, if the above dates have not occurred, and a child has been covered under this rider for 10 years, this rider can be converted to an Allianz cash value policy. Each child can convert up to 5 times the rider specified amount or $50,000, whichever is less.

- Rider can be added at the policy anniversary following the birth or adoption of the insured individual's first child, without additional underwriting.

LOAN PROTECTION RIDER[2]

This rider can prevent the unintentional lapse of your client's policy while there is an outstanding policy loan, if they are between the ages of 75 and 120. We'll notify the policyholder if the loan balance reaches 90% of their policy's accumulation value. The rider is automatically added to the policy when it is issued. The policyholder has the opportunity to opt out of the rider on the illustration. There is no charge if the policyholder does not exercise this rider. Once exercised, there is a one-time charge, which is a percentage of the accumulation value. This rider may be suitable for your clients if they plan on using their available cash value during their retirement years.

The rider cannot be elected or used if the policy is a modified endowment contract (MEC). This rider cannot be added after policy issue.

- **Issue age for this rider:** 0-80
- Not available with the cash value accumulation test
- Once your client has opted out of the rider, it cannot be added to the policy at a later date.
- May not be available in all states

CALL THE LIFE CASE DESIGN TEAM at 800.950.7372 to request sales material and for an illustration.

[1] Additional cost at time of issue.

[2] This policy may be purchased with the intention of building cash value on a tax-free basis for some period (such as, until retirement) and then periodically borrowing from the policy without allowing the policy to lapse. The aim of this strategy is to continue borrowing from the policy until its contract value is just enough to pay off the policy loans that have been taken out, and then relying on the Loan Protection Rider to keep the policy in force until the death of the insured. Anyone contemplating taking advantage of this strategy should be aware that it involves significant risk.

This strategy has not been ruled on by the Internal Revenue Service (the "IRS") or the courts and it may be subject to challenge by the IRS on the grounds that the policy has effectively lapsed or been exchanged. It is thus possible that loans under this policy may be treated as taxable distributions when the rider is exercised. In that event, assuming policy loans have not already been subject to tax as distributions, a significant tax liability could arise. Anyone considering using the policy as a source of tax-free income by taking out policy loans should, before purchasing the policy, consult with and rely on a competent tax advisor about the tax risks inherent in such a strategy.

This rider is automatically added to policies issued with the guideline premium test (GPT) only.

The S&P 500® Index is comprised of 500 stocks representing major U.S. industrial sectors. The Dow Jones Industrial Average is a popular indicator of the stock market based on the average closing prices of 30 active U.S. stocks representative of the overall economy.

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