

# Understanding life insurance charges

You work hard for your money, so it's natural to want to know where your dollars are going when you buy life insurance.

While most of your premium pays for the death benefit, your policy also includes other charges and fees to cover underwriting, issuing, and administering the policy. To be transparent – and to help you understand how we allocate your payments – below we outline the charges associated with our fixed index universal life (FIUL) insurance policies.

## Premium charge

We deduct a premium charge as you pay premium into the policy. This charge covers the state premium tax, which may vary by state. It is up to the insurance company to set the premium charge rate, however – and at Allianz Life Insurance Company of North America (Allianz) we've set a flat rate regardless of where the policy is purchased.

The premium charge also varies by product. For Allianz Life Pro+® Fixed Index Universal Life Insurance Policy the premium charge is 6%, and for Allianz Life Pro+ Survivor® Fixed Index Universal Life Insurance Policy the charge is 4%.

## Monthly deductions

We will charge a monthly deduction on each policy's monthly anniversary. These charges include:

- **Cost of insurance charges** ("COI charges") go toward paying the cost associated with the death benefit. The COI charges are based on factors such as your age, gender, and risk class.
- A **policy charge** of \$7.50 per policy covers administrative fees.
- The **expense charge** covers costs associated with underwriting, such as ordering medical exams, and is calculated per each \$1,000 of your policy's death benefit. The expense charge is also based on factors such as your gender, age, and risk class.

## Surrender charges

Our FIUL policies are designed to be in force for a minimum number of years. If you cancel ("surrender") your policy before this surrender period ends, surrender charges will apply. The surrender periods vary by product. Allianz Life Pro+ has a 10-year surrender period, while the surrender period for Allianz Life Pro+ Survivor is 12 years. The surrender charge is based on age, gender, death benefit amount, and risk class, and decreases each year throughout the policy's surrender period.

## Optional riders

Because every person's situation is unique, we offer optional riders that can help you customize a policy to address your specific needs. These optional riders usually incur an additional cost, either at issue or when exercised (sometimes called a "rider fee").

Our FIUL policies are designed so the charges and fees typically decrease over time – meaning the financial burden for your policy may decrease as you near retirement, when you have fewer working years ahead.

**For more information about FIUL insurance charges and fees, contact your financial professional.**

For all that's ahead.®

Allianz 

This piece must be accompanied by the "Understanding FIUL" brochure or applicable consumer brochure.

This is not a comprehensive overview of all the relevant features and benefits of a life insurance policy.

This material is intended for educational purposes only and is not intended to serve as the basis for any purchasing decisions.

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

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