

The many uses of life insurance

You have a choice on when to pay income taxes

Allianz Life Insurance Company of North America



All life insurance policies provide a death benefit. But did you know that some life insurance policies also offer a cash value with accumulation potential?

Any earnings your cash value receives accumulate tax-deferred, and in some cases you can access your earnings income-tax-free through loans or withdrawals.¹

And did you know that your policy's death benefit is tax-free for your beneficiaries? Should they receive a death benefit down the road, they won't have to pay income taxes on the proceeds from your policy.

Tax now Each year you pay income taxes on any earnings you receive.	Tax later Earnings accumulate tax-deferred. You pay taxes when you withdraw your money.	Tax never Earnings accumulate tax-deferred and may be income-tax-free and penalty-free.
Savings account	Traditional IRA	Roth IRA ²
Checking account	SEP IRA	Municipal bonds
Certificates of deposit (CDs)	SIMPLE IRA	529 plans
Stocks	401(k), 403(b), and pension plans	Universal life insurance death benefit with cash accumulation value Death benefit is income tax-free to your beneficiaries. Cash value may be accessed income-tax-free and penalty-free through loans and withdrawals if the policy is not a modified endowment contract (MEC). ¹
Bonds	Annuities ³	
Mutual funds	Savings bonds ³	

¹ Policy loans will reduce available cash values and death benefits and may cause the policy to lapse, or affect 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. Please note that some loans and withdrawals may be subject to regular income tax.

² Qualified distributions from Roth IRAs are income-tax-free and penalty-free. A qualified distribution from a Roth IRA is one in which the owner has had the Roth IRA open for five years and has had one of the following qualifying events: age 59½ or older, death, disability, or first-time home purchase (which qualifies for a Roth IRA distribution of up to \$10,000).

³ Income tax-free return of basis or premium paid.

This document is designed to provide general information on the subjects covered. Pursuant to IRS Circular 230, it is not, however, intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market, or recommend any tax plan or arrangement. Please note that Allianz Life Insurance Company of North America, its affiliated companies, and their representatives do not give legal or tax advice. Encourage your clients to consult their tax advisor or attorney.

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

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. 800.950.1962 www.allianzlife.com