



Policies issued by American General Life Insurance Company and United States Life Insurance Company in the City of New York (US Life), AIG member companies.

Secure Lifetime GUL 3

Chronic Illness Rider — When Your Client Goes On and OFF Claim



“Chronic” conditions no longer need to be considered “life-long” in order to be eligible.

Plus...Going On and OFF claim is made easy with Accelerated Access Solution®

SCENARIO: Non-permanent chronic illness expenses

Let’s look at a hypothetical example. Luke is 55 years old and needs to provide life insurance for his family. He purchases a \$500,000 Secure Lifetime GUL 3 guaranteed universal life policy and elects an additional level of protection with a chronic illness rider - Accelerated Access Solution.

Luke has choices to help him customize Accelerated Access Solution:

1. Monthly benefit payout options of 2%, 4% and an IRS per diem benefit that is annually adjusted for inflation.¹
2. The benefit can be elected anywhere from 50% of the death benefit all the way up to 100%.

Luke chooses the 2% monthly payout option on 100% of the death benefit.

Five years later, at age 60, Luke suffers the unexpected reality of a stroke. While it is severe, it appears that his chances of recovery are good. His wife remembers the flexibility of their life insurance policy and thinks it might pay for medical expenses related to his current condition.

SOLUTION: Funding expenses with payouts from chronic illness rider benefits

Luke’s family consults with their financial adviser. They are reminded that the policy includes Accelerated Access Solution, **which does not require a chronic illness to be a life-long condition for eligibility.**

Since Luke is unable to perform, without substantial assistance from another person, at least two of the Activities of Daily Living (ADLs) he will qualify for the following: (see pg. 2 chart for details)

1. Payment of \$10,000 per month in chronic illness benefits, which are designed to be received income-tax-free.²
2. Continuing life insurance benefits reduced by the chronic illness benefits paid.
3. At death, any remaining life insurance benefit will be paid to Luke’s beneficiaries income-tax-free.²

The family is relieved that this financial weight will be lifted off their shoulders.

Not an actual case and is a hypothetical representation for illustrative purposes only.

COMING OFF CLAIM

Thankfully, due to improved health, Luke is able to come off claim 2 years later at the age of 62. His guarantees remain intact, there is no catch-up premium and there is a prorata reduction and recalculation of premium on the remaining death benefit.



- ✓ Elected 100% Death Benefit and a 2% Monthly Payout. Premium – \$7,244.
- ✓ Goes on Claim for 2 years at age 60-62
- ✓ Benefit Received – \$240,000 (\$10,000 x 24)
- ✓ New Ongoing Guaranteed Premium – \$3,882 (Premium reduced by over 53%)
- ✓ New Ongoing Guaranteed Death Benefit – \$260,000

Year	End of Year Age	Annual Premium	End of Year Cash Value	End of Year Death Benefit
1	56	\$7,244	—	\$500,000
2	57	\$7,244	—	\$500,000
3	58	\$7,244	—	\$500,000
4	59	\$7,244	—	\$500,000
5	60	\$7,244	—	\$500,000
6	61	—	—	\$380,000
7	62	—	—	\$260,000
8	63	\$3,882	—	\$260,000
9	64	\$3,882	—	\$260,000
10	65	\$3,882	\$2,606	\$260,000
11	66	\$3,882	\$2,617	\$260,000
12	67	\$3,882	\$2,627	\$260,000
13	68	\$3,882	\$2,637	\$260,000
14	69	\$3,882	\$2,648	\$260,000
15	70	\$3,882	\$2,658	\$260,000

This sample illustration must be preceded or accompanied by a basic illustration for the product described in this material. Please see the basic illustration regarding guaranteed and nonguaranteed elements of the policy, including surrender values, accumulation values, loans, withdrawals, death benefits and other important information.

¹ 4% maximum benefit in California.

² Based on current federal income tax laws, policy owners should consult a qualified tax advisor.



Important Consumer Disclosures Regarding Accelerated Benefit Riders

An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.

ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Federal Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

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