

# Max Accumulator+ Index Universal Life Insurance



**A life insurance product designed to  
help you on your life's journey.**



Policies issued by American General Life Insurance Company (AGL) member of American International Group, Inc. (AIG).



The primary reason to buy life insurance is to provide a generally income tax-free death benefit to the ones you love — the people who depend on you.<sup>1</sup>

**This doesn't have to be the only reason to buy life insurance any longer.**

**More people are turning to life insurance for:**

- Protection
- Supplemental retirement income
- Tax diversification
- Long-term wealth accumulation

<sup>1</sup> Based on current federal income tax law.

## Why Index Universal Life (IUL)?

When you purchase a Max Accumulator+ IUL policy, you have the power to choose what works for you. You can decide, within policy guidelines, to:

You can also withdraw cash value or borrow against the policy tax-free<sup>1</sup> for any reason later on, for example, but not limited to:

- Supplementing retirement income
- Starting a business
- Paying for college or a wedding
- Covering emergency or business expenses
- Purchasing a vacation home or taking a vacation
- Making home improvements

It's really up to you—it's just nice to have a policy that you can use to help meet some of life's challenges.

- **Pick your death benefit**  
Purchase an amount that fits your needs. Increasing over time? Level? Your choice.
- **Pick your premium amount**  
As long as certain rules are followed, your premiums can be flexible. Start low and increase later? Put more in now and slow down later? Your call.
- **Pick your premium frequency**  
If you like contributing annually, no problem. Twice per year works, too. Quarterly is just fine. Monthly? Also good! You pick!
- **Pick how your policy cash value grows**  
You have five ways to earn interest on your policy. Do you want 100% in one account? Or 25% into each of the index interest accounts? Any mix that you can imagine, we can, too!

<sup>1</sup> Assumes the use of withdrawals to basis and/or policy loans. Policy must comply with IRS requirements to qualify as a life insurance contract. Total premiums in the policy cannot exceed funding limitations under IRC section 7702. Withdrawals during the first 15 years of the contract may be treated as income first and includible in policyholder's income. If the policy is classified as a modified endowment contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59 ½. Distributions will reduce policy values and may reduce benefits. Availability of policy loans and withdrawals depend on multiple factors including but not limited to policy terms and conditions, performance, and fees or expenses.

## How does it work?

Max Accumulator+ Index Universal Life (IUL), also called cash value life insurance, is a flexible life insurance policy that may fit many needs. An IUL policy can provide you with tax-free income and a greater potential for growth than a traditional universal life policy while safeguarding against market downturns.<sup>1</sup> That’s because an IUL policy offers the potential to credit interest based in part on the upward movement of a stock market index. Additionally, an IUL policy offers protection against the impact of market downturns because no less than 0% interest can be credited to the various account options within the policy.<sup>2</sup>

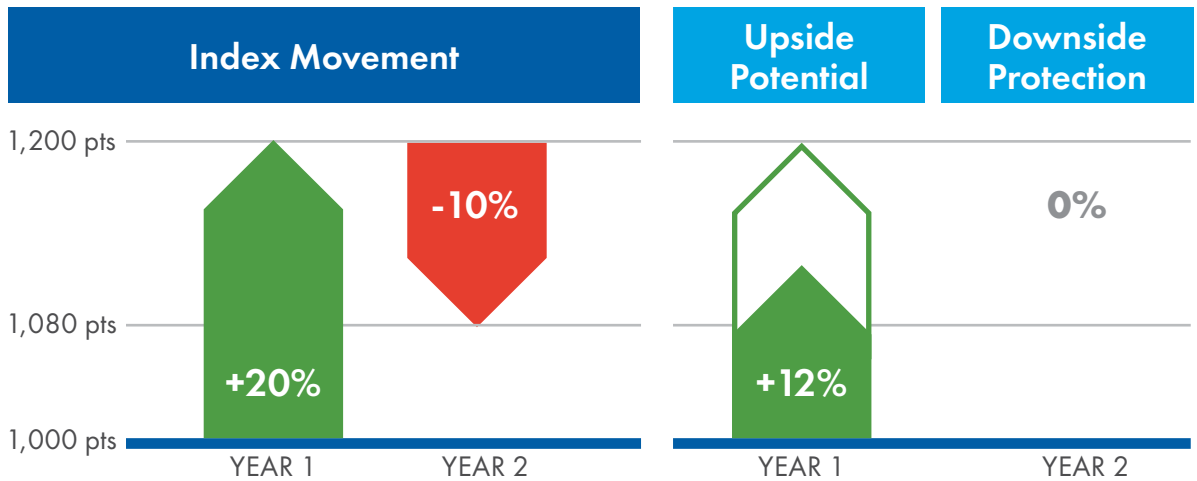
We call it, **“upside potential and downside protection.”**

It is important to note that IUL is not an investment; it is a life insurance product that provides growth potential through index interest crediting. You cannot invest directly in an index.

## How do IUL accounts share in the upside and protect against the downside?

Generally speaking, when the index goes up, the amount of interest credited to the policy can go up. If the index goes down, there’s simply nothing credited, as you can see below.<sup>3</sup>

Imagine an index that goes up 20% in year one, but then then falls -10% the next. IUL index strategies are designed to help you share in the positive years while protecting your cash value in the negative years. So in year one, you get 12% of the upside, and in year two you experience no losses as a result of the downturn.



The above represents a hypothetical case for illustrative purposes only and is not a reflection or guarantee of future performance.

<sup>1</sup> Withdrawals and policy loans may be structured to provide tax-free income. You should consult your personal tax advisor with questions related to your particular circumstances.

<sup>2</sup> All guarantees are backed by the claims-paying ability of American General Life Insurance Company.

<sup>3</sup> Due to administrative costs associated with the policy, reduction in cash value is a potential outcome in a down market year.

# Accessing the value in Max Accumulator+

## CONTRIBUTION

**Premiums<sup>1</sup>**  
**AND**  
**Interest Credited**

Over time, you will be able to leverage multiple options to access cash value you have accumulated through your premium payments and any interest credited from upside market performance, or you can save some or all of the life insurance benefit for your beneficiaries.

Take a look at this graphic which describes the three phases of IUL policy ownership: **Contribution, Accumulation and Distribution.**

## ACCUMULATION

**Index Strategy**  
(4 options)  
**GROWTH**  
IS TAX DEFERRED

<sup>1</sup> Less premium expense charges

<sup>2</sup> Withdrawals and policy loans may be structured to provide tax-free income.

You should consult your personal tax advisor with questions related to your particular circumstances.

<sup>3</sup> Plus administrative and expense charges

<sup>4</sup> Including applicable charges

## DISTRIBUTION (WITHDRAWALS)

**AUTOMATIC**  
**PAYS FOR...**  
**Income Tax-free<sup>2</sup> Death**  
**Benefits and Rider Benefits<sup>3</sup>**

**OPTIONAL**  
**CAN HELP...**  
**Supplement Retirement**  
**Income, Create an Emergency**  
**Fund, Start a Business<sup>4</sup>...**





## Maximizing your distributions

Cash value can be disbursed through a variety of access points, depending upon your situation and at your discretion. Some are built-in. Some are optional. Some must be elected at the time of purchase.

### For Loved Ones

#### I. Beneficiary disbursements:

- Lump sum death benefit
- Select Income Rider (installment payout plan)

#### Lump-sum life insurance benefit

Flexible funds for your family or business if you die too soon.

It is generally income tax free, distribution of policy death benefit to your beneficiary upon the passing of an insured.<sup>1</sup>

You can use this option to help ensure your family or business lives on with a lump-sum life insurance payment.

#### Installment Payout Plan (Select Income Rider)

Flexible income for your family or business if you die too soon.

This option distributes the life insurance death benefit in installments rather than a lump sum, to help your beneficiaries manage ongoing expenses. Selecting this rider may also lower your policy's cost of insurance charges, which may enable your cash value to accumulate faster.

You can also opt for just a partial amount to be paid as a lump sum and the remainder in installments. The rider provides annual payout options over a specified period for the life insurance benefit amount chosen.

Important to note: this option is selected at issue and is irrevocable. It provides a guaranteed income stream for your beneficiaries that will grow at a fixed interest rate. There is no charge for this rider. If you elect this rider, it cannot be terminated following the Date of Issue.

<sup>1</sup> Withdrawals and policy loans may be structured to provide tax-free income. You should consult your personal tax advisor with questions related to your particular circumstances.

## FOR YOU

### II. Policy owner disbursements:

- Income for Life rider
- Accelerated Access Solution Rider® (Chronic Illness Rider)
- Policy loans & withdrawals<sup>1</sup>

#### Guaranteed Income for Life (Income for Life Rider)

##### Flexible income for your retirement.

With this rider, your cash value can be used to produce a guaranteed stream of lifetime income for you, plus includes an optional annual cost-of-living increase.<sup>1</sup>

Important to note: There is no additional charge to add this rider to the policy; a one-time only charge is deducted from the accumulation value when you choose to activate it.

#### Chronic Illness Rider (Accelerated Access Solution)

##### Income to help if you get sick along the way.<sup>2</sup>

This rider allows you to access a portion of your death benefit if you suffer from a qualifying illness or condition.<sup>3</sup>

Choose from payments of 2%, 4% or an IRS per diem amount monthly. The tax-free income can be used to cover:<sup>4</sup>

- Medical expenses
- Long-term care
- Supplement lost income
- For any other purpose.

Important to note: AAS is elected at the time of policy purchase for an additional charge.<sup>5</sup>

#### Policy Loans & Withdrawals

##### Flexible income for you at any time, for any purpose

These are features that you can use any time, when eligible, to access cash value for any purpose you choose.<sup>6</sup> You can select from one or a combination of three types of policy loans: Standard (Fixed), Preferred or Participating, that:

- Are potentially income tax free
- Offer fast access to cash when needed
- Provide potential for positive interest earnings on loaned money
- Have no repayment plan required

## Interested in learning more about “Index Interest Crediting Strategies?”

### With Max Accumulator+ IUL - it's simple.

There are four index interest crediting strategy choices available – we'll come back to those. For now, just know that two are Participation Rate (Par) types and two are Cap Rate types.

#### What is a Participation Rate?

Determines, by a specified percentage, how much of the positive performance from the index will be credited to the index interest account, (e.g., 60%, amount of 'participation') in positive index performance years, while the negative years receive no less than 0% interest.

We offer domestic and global options:

- Blend Participation Rate Strategy - based on ML Strategic Balanced Index® performance with 100% par rate
- Global Blend Participation Rate Strategy - based on PIMCO Global Optima Index™ performance with an 80% par rate

#### What is a Cap Rate?

Determines, by a specified percentage, the maximum ('capped') rate of interest credited to a policy, regardless of how well the index performs, (e.g., 12%)

We offer two cap strategies both based on the S&P 500® Index:

- High Bonus
  - 10% cap and 0.25% minimum interest credited
- High Cap
  - 13% cap and no less the 0% interest credited

For ALL methods: the index interest account will never be credited less than 0% interest.

#### What is an index?

An index is a statistical composite that measures changes in the financial markets. Indices are hypothetical portfolios of securities designed to represent a certain market, or portion of the overall market.

Most importantly, it's their positive or negative performance that help determine how much your IUL cash value will grow!

<sup>1</sup> Policy loans and withdrawals may be taxable and may decrease the face amount or value of the policy.

<sup>2</sup> Limitations apply. Please review the rider. Certain distributions may be taxable. You should consult your personal tax advisor to assess the impact of the benefits on your particular circumstances.

<sup>3</sup> Insured must be certified as chronically ill by a licensed physician and meet all eligibility requirements. This rider is not available in all states.

<sup>4</sup> Life insurance death benefits are generally tax-free for beneficiaries under IRC 101 (a), but may under certain situations be taxable in part or whole

<sup>5</sup> The rider must be selected at the time of policy purchase. There is no additional fee for this rider. Installment payments under this rider may be taxable.

<sup>6</sup> Policy can lapse in the event that excessive loans are taken.



## What indices are used in Max Accumulator+ IUL?

We offer four strategies which utilize three indices as the basis for interest crediting: S&P 500<sup>®</sup> Index, ML Strategic Balanced Index<sup>®</sup> and PIMCO Global Optima Index<sup>™</sup>.

### **S&P 500 Index – Domestic**

This index is often regarded as the standard for broad stock market performance. It is used to measure the average stock price changes of the 500 most widely held large capitalization companies representing over 100 specific industry groups.

### **ML Strategic Balanced Index – Proprietary Domestic**

The ML Strategic Balanced Index provides a systematic, rules-based process of blending equity and fixed income indices—the S&P 500 (without dividends), which serves to represent the equity performance, and the Merrill Lynch 10-year U.S. Treasury Futures Total Return Index, which serves to represent fixed income performance. To help manage volatility, the Index may also systematically utilize cash allocations. This index is designed to generate equal risk contribution to each asset class.

### **PIMCO Global Optima Index – Proprietary Global**

The PIMCO Global Optima Index is a rules-based index with an equity focus for strong growth potential, global diversification for an enhanced opportunity set, and a design powered by PIMCO's time tested investment insights. The Index offers exposure to:

- Global Equity: U.S. large cap, U.S. mid cap, U.S. small cap, International and Emerging Markets
- Domestic Fixed Income: High-quality U.S. fixed income made up of treasuries, corporate bonds...
- Total return potential: Dividends are included in the performance calculation of the PIMCO Global Optima index

Additionally, this index adjusts the exposures across the Global Equity and Domestic Fixed Income components on a daily basis based on market volatility.

It's important to note that while an IUL credits interest based in part on the upward movement of an index, Max Accumulator+ is not an investment. Your cash value is never invested directly in the stock market.

And remember, the end goal for understanding all of these indices is to understand how they help provide you tax-free income over time, while protecting the future financial security of you and your beneficiaries.<sup>1</sup>

<sup>1</sup> If structured correctly with the use of withdrawals and policy loans



# Tailor Your Max Accumulator+ Policy with Rider Options\*

<b>Income for Life Rider</b>	<ul style="list-style-type: none"> <li>• Issue Ages: 0-75</li> <li>• Converts cash value into guaranteed income stream</li> <li>• Optional annual adjustments for cost of living increases: 0%, 1%, 2%, or 3% options</li> <li>• Exercise ages between 55-85</li> <li>• Accumulation/waiting period: policy must be in force for 10 years</li> <li>• Step up: guaranteed lifetime income amount can increase if index performance exceeds a certain level</li> <li>• Certain distributions may be taxable. You should consult your personal tax advisor to assess the impact of the benefits on your particular circumstances.</li> <li>• One-time charge applied from account value at time of election. Additional annual fee not to exceed \$25 for payment frequencies other than annual.</li> <li>• Requires Guideline Premium Death Benefit Compliance test</li> </ul>
<b>Select Income Rider</b>	<ul style="list-style-type: none"> <li>• Optional rider converts a portion or all of the life insurance benefit for beneficiaries to a predefined guaranteed set of annual payments</li> <li>• Benefit schedule will be based on initial face amount of policy at issue and is irrevocable for the beneficiaries</li> <li>• Minimum percentage of life insurance benefit available to convert is 10% (up to 100%)</li> <li>• May lower the policy's cost of insurance charges, which may enable cash value to accumulate faster</li> <li>• Schedule of life insurance benefit payments will be determined at issue</li> <li>• Life insurance benefit payments will increase annually at a rate set at issue</li> </ul>
<b>Accelerated Access Solution® (Chronic Illness Rider)</b>	<ul style="list-style-type: none"> <li>• Premium paying rider provides income for qualifying chronic condition.</li> <li>• Three options available: 2% of AAS benefit per month; 4% of the AAS benefit per month; IRS per diem maximum of the AAS benefit per month</li> <li>• Monthly benefit is capped at the maximum IRS daily rate at the time of claim.</li> <li>• The 2018 maximum per diem is \$360/day or \$10,950/month. Subsequent years may be higher.</li> </ul>
<b>Accidental Death Benefit Rider (ADB)</b>	<ul style="list-style-type: none"> <li>• Provides an additional death benefit if death resulted from certain accidental injuries</li> <li>• Double ADB is paid if the death is sustained while a fare-paying passenger on a licensed public conveyance</li> <li>• Minimum: \$25,000; Maximum: The lesser of \$200,000 or the initial sum insured under the policy</li> </ul>
<b>Children's Insurance Benefit Rider (CIB)</b>	<ul style="list-style-type: none"> <li>• Pays a benefit to the insured parent upon the death of an insured child</li> <li>• Minimum death benefit is \$1,000; maximum is \$25,000</li> <li>• May be issued for parent's ages 17-50, up to Table D; and children ages 15 days through 18 years. Lasts until child's age 25 or parent's age 65, whichever comes first</li> <li>• Covers all eligible children</li> </ul>
<b>Overloan Protection Rider</b>	<ul style="list-style-type: none"> <li>• Rider guarantees that base policy will not lapse due to an outstanding loan</li> <li>• Rider must be activated in writing once the loan balance exceeds 94% of cash value. A one-time charge will be deducted from the accumulation value, and future monthly deductions will be waived.</li> <li>• Rider benefit can be activated at or after the later of attained age 75 or 15th policy anniversary</li> </ul>
<b>Spouse/Other Insured Rider</b>	<ul style="list-style-type: none"> <li>• Provides level term insurance on the owner's spouse</li> <li>• The minimum spouse rider term amount available is \$10,000. The maximum is 2 time base specified amount.</li> <li>• Not available on non-medically underwritten policies</li> </ul>
<b>Terminal Illness Accelerated Benefit Rider</b>	<ul style="list-style-type: none"> <li>• Provides an accelerated death benefit (living benefit) when the insured is diagnosed with a terminal illness (24 months or less to live)</li> <li>• One-time acceleration benefit up to 50% of the base policy death benefit (less policy loans and excluding riders)</li> <li>• Maximum: \$250,000</li> <li>• Subject to an administrative fee</li> <li>• Some states require a signed disclosure form at time of application</li> </ul>
<b>Waiver of Monthly Deduction Rider</b>	<ul style="list-style-type: none"> <li>• Waives the monthly deduction while the insured is disabled after six months of disability</li> <li>• Rider charges are based on the insured's attained age and increase annually</li> <li>• Rider not available for face amounts greater than \$5 million</li> </ul>
<b>Waiver of Specified Premium Rider</b>	<ul style="list-style-type: none"> <li>• Issue ages: 15-55</li> <li>• Proof of total disability is required</li> <li>• Eligibility requirements: Total disability has existed continuously for at least six months, and total disability began while this rider is in force</li> <li>• There is a charge for the rider</li> </ul>

\* There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions. Adding or deleting riders and increasing or decreasing coverage under existing riders can have tax consequences. Policy owners should consult a tax advisor prior to exchanging their policy. Riders are not available in all states.

AIG is one of the world's largest insurance organizations and serves more than 18 million customers across America. For nearly a century, we have been dedicated to providing innovative solutions to help our customers secure and enhance their financial futures.

## Disclosures from Index Companies

### Information about the ML Strategic Balanced Index®

The ML Strategic Balanced Index® provides systematic, rules-based access to the blended performance of two underlying indices—the S&P 500 (without dividends), which serves to represent equity performance, and the Merrill Lynch 10-year U.S. Treasury Futures Total Return Index, which serves to represent fixed income performance. To help manage overall return volatility, the Index may also systematically utilize cash performance in addition to the performance of the two underlying indices.

**Important Note:** The ML Strategic Balanced Index® embeds an annual index cost in the calculations of the change in Index Value over the Index Term. This "embedded index cost" will reduce any change in Index Value over the Index Term that would otherwise have been used in the calculation of index interest, and it funds certain operational and licensing costs for the index. It is not a fee paid by you or received by the Company. The Company's licensing relationship with Merrill Lynch, Pierce, Fenner & Smith Incorporated for use of the ML Strategic Balanced Index and for use of certain service marks includes the Company's purchase of financial instruments for purposes of meeting its interest crediting obligations. Some portion of those instruments will, or may be, purchased from Merrill Lynch, Pierce, Fenner & Smith Incorporated or its Affiliates.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates ("BofA Merrill Lynch") indices and related information, the name "BofA Merrill Lynch", and related trademarks, are intellectual property licensed from BofA Merrill Lynch, and may not be copied, used, or distributed without BofA Merrill Lynch's prior written approval. The products of licensee American General Life Insurance Company have not been passed on as to their legality or suitability, and are not regulated, issued, endorsed, sold, guaranteed, or promoted by BofA Merrill Lynch.

**BOFA MERRILL LYNCH MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO ANY INDEX, ANY RELATED INFORMATION, ITS TRADEMARKS, OR THE PRODUCT(S) (INCLUDING WITHOUT LIMITATION, ITS QUALITY, ACCURACY, SUITABILITY AND/OR COMPLETENESS).**

The ML Strategic Balanced Index (the "Index") is the property of Merrill Lynch, Pierce, Fenner & Smith Incorporated, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Index. The Index is not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices will not be liable for any errors or omissions in calculating the Index. "Calculated by S&P Dow Jones Indices" and the related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Note that the ML Strategic Balanced Index™ is not available for policies issued in the State of New York.

### Information about the S&P 500® Index

The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by AGL and US Life. Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by AGL and US Life. AGL and US Life's Max Accumulator+ is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

### Information about the PIMCO Global Optima Index

The PIMCO Global Optima Index™ (the "Index") is a comprehensive equity and bond index, offering exposure to global equity and U.S. fixed income markets. The Index is a trademark of Pacific Investment Management Company LLC ("PIMCO") and has been licensed for use for certain purposes by American General Life Insurance Company ("the Company") with this life insurance policy ("the Product"). The Index is the exclusive property of PIMCO and is made and compiled without regard to the needs, including, but not limited to, the suitability or appropriateness needs, as applicable, of the Company, the Product, or owners of the Product. The Product is not sold, sponsored, endorsed or promoted by PIMCO or any other party involved in, or related to, making or compiling the Index. PIMCO does not provide investment advice to the Company with respect to the Product or to owners of the Product.

Neither PIMCO nor any other party involved in, or related to, making or compiling the Index has any obligation to continue to provide the Index to the Company with respect to the Product. Neither PIMCO nor any other party involved in, or related to, making or compiling the Index makes any representation regarding the Index, Index information, performance, annuities generally or the Product particularly.

PIMCO disclaims all warranties, express or implied, including all warranties of merchantability or fitness for a particular purpose or use. PIMCO shall have no responsibility or liability whatsoever with respect to the Product.

The Licensed PIMCO Licensed Index is comprised of a number of constituents, some of which are owned by entities other than PIMCO. The Licensed PIMCO Indices rely on a variety of publically available data and information and licensable equity and fixed income sub-indices. All disclaimers referenced in the Agreement relative to PIMCO also apply separately to those entities that are owners of the constituents of the Licensed PIMCO Indices. The constituents of the Licensed PIMCO Indices include: MSCI Inc., FTSE International Limited, FTSE TMX Global, Debt Capital Markets, Inc., Frank Russell Company and certain ETFs. The Licensee expressly agrees to include the following disclaimer and limited language in connection with the use of the Licensed PIMCO Indices for the Permitted Purposes.

## Disclosures Applicable to: Chronic Illness Accelerated Death Benefit Rider Terminal Illness Accelerated Death Benefit Rider

- (1) If a benefit under the Chronic Illness Accelerated Death Benefit Rider or under the Terminal Illness Accelerated Death Benefit Rider is payable, the Company will provide the Owner with an opportunity to elect a Chronic Illness Accelerated Benefit Amount as to the qualifying Chronic Illness in question or to elect a Terminal Illness Accelerated Death Benefit Amount as to the Qualifying Terminal Illness in question, as applicable. To make an election, the Owner must complete an election form and return it to AGL within 60 days of the Owner's receipt of the election form.
- (2) Under certain circumstances where an insured's mortality (i.e., our expectation of the insured's life expectancy) is not significantly changed by a Qualifying Chronic Illness.
- (3) See your policy for applicable requirements concerning claim and election forms for accelerated death benefits.
- (4) Benefits payable under an accelerated death benefit rider may be taxable. Neither American General Life Insurance Company nor any agent representing it is authorized to give legal or tax advice. Please consult a qualified legal or tax advisor regarding questions concerning the information and concepts contained in this material.
- (5) Generally, we will send you an IRS Form 1099-LTC if you receive an accelerated death benefit on account of a Chronic Illness or a Terminal Illness. The sum that will be included in Box 2 (Accelerated death benefits paid) of IRS Form 1099-LTC or in Box 1 (Gross distribution) of IRS Form 1099-R will be the actual sum you received by check or otherwise minus any refund of premium and/or loan interest included with our benefit payment plus any unpaid but due policy premium, if applicable, and/or pro rata amount of any loan balance.
- (6) See your policy for details.

### NOT LONG-TERM CARE INSURANCE

This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide long-term care insurance subject to California long-term care insurance law. This policy or certificate is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement policy.

An accelerated death benefit such as the Chronic Illness Accelerated Benefit Rider and long-term care insurance provide very different kinds of benefits:

Generally, an accelerated death benefit is a rider to or other provision in a life insurance policy that permits the policy owner to accelerate some or potentially all of the death benefit of a life insurance policy if the insured meets the definition of having a chronic illness as defined in the rider or policy provision. Acceleration of death benefits and payments under such an accelerated death benefit will reduce the death benefit of the policy and reduce other policy values as well, potentially to zero. If the entirety of the insurance amount is accelerated, the policy terminates.

A Long Term Care insurance policy is any insurance policy, certificate, or rider providing coverage for diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services that are provided in a setting other than an acute care unit of a hospital. Long-term care insurance includes all products containing any of the following benefit types: coverage for institutional care including care in a nursing home, convalescent facility, extended care facility, custodial care facility, skilled nursing facility, or personal care home; home care coverage including home health care, personal care, homemaker services, hospice, or respite care; or community-based coverage including adult day care, hospice, or respite care. Long-term care insurance includes disability based long-term care policies but does not include insurance designed primarily to provide Medicare supplement or major medical expense coverage.

If you are interested in long-term care, nursing home or home care insurance, you should consult with an insurance agent licensed to sell that insurance, inquire with the insurance

company offering the accelerated death benefits, or visit the California Department of Insurance Internet Web site ([www.insurance.ca.gov](http://www.insurance.ca.gov)) section regarding long-term care insurance. If you choose to accelerate a portion of your death benefit, doing so will reduce the amount that your beneficiary will receive upon your death. Receipt of accelerated death benefits may affect eligibility for public assistance programs, such as Medi-Cal or Medicaid. Prior to electing to receive the accelerated death benefit, you should consult with the appropriate social services agency concerning how receipt of accelerated death benefits may affect that eligibility. If the policy terminates, the Chronic Illness Accelerated Death Benefit Rider will also terminate. LTC expense reimbursement vs. ADB benefits are paid without receipts. LTC benefits are based on benefit levels and a pool of money selected at the time of purchase, and ADB benefits depend on the life policy value. ADB benefits will reduce the death benefit that the policyholder's heirs will receive, and the use of the ADB proceeds is unrestricted, whereas LTC benefits will not reduce the death benefit that the policyholder's heirs will receive and the policyholder must use LTC benefits for LTC services.

### ACCELERATED ACCESS SOLUTION (AAS)

The Accelerated Access Solution (AAS) is an optional living benefit rider that is available on the insurance policy issued by American General Life Insurance Company in the state of California. The Accelerated Access Solution is a life insurance rider that accelerates a portion of a policy's death benefit when an insured meets the health impairment criteria set forth in the rider.<sup>1</sup> Control over how money is spent is up to the policy holder; there are no receipts required and no restrictions on what the money is used for once the policy owner has been certified as eligible to receive AAS benefits. Benefits are paid directly to the policyholder for as long as the criteria are met, or until the AAS benefit amount is exhausted, whichever occurs first. Acceleration of death benefits and payments under such an accelerated death benefit will reduce the death benefit of the policy and reduce other policy values as well, potentially to zero. If the entirety of the insurance amount is accelerated, the policy terminates.

### PAYOUT OPTIONS

Multiple benefit payment options are available with two options for monthly disbursement at the time of purchase:

- 2% of AAS benefit, or the applicable maximum monthly amount if less
- 4% of AAS benefit, or the applicable maximum monthly amount if less than the maximum monthly amount is \$10,000 increased annually by 4% until the time of claim.
- Alternatively, you have the option at the time of claim to receive the accelerated benefit in a lump sum payment in lieu of the benefits payable under the monthly payment option you selected. Such lump sum benefit will be subject to an actuarial discount that is determined by the company at the time you become eligible for benefits under the rider.<sup>2</sup>

### BENEFIT PAYMENT

Once the insured meets the health impairment criteria and benefits have been approved for payment, they may select their disbursement. There is a maximum benefit payable under the monthly disbursement option that we'll notify the insured of at their time of claim. The insured may also select a smaller amount than the maximum monthly benefit. A lump sum option is available as well; which can be substituted for monthly benefits.

### TAX IMPLICATIONS

There are no restrictions or limitations on the use of the accelerated death benefit proceeds under the Chronic Illness Accelerated Death Benefit Rider. The accelerated benefits payable under this rider are generally intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code. There may be tax consequences in some situation in accepting an accelerated benefit payment amount, such as where payments exceed the per diem limitation under the Internal Revenue Code. You should consult your personal tax advisor to assess the impact of this Benefit prior to accepting the Benefit.

<sup>1</sup> Insured must be certified as chronically ill by a Licensed Health Care Practitioner and meet all eligibility requirements and the condition need not be permanent.

<sup>2</sup> The Company will determine the actuarial discount applicable to a given lump sum payment using factors including, but not limited to the Company's assessment of the expected future mortality of the Insured and an interest rate determined as described in the rider.

For more information, contact your  
financial professional or visit  
**RetireStronger.com**

Ask how you can take your  
**Life To The Max** with an interactive  
tool that helps you smooth the road  
to retirement and beyond.



Policies issued by American General Life Insurance Company (AGL), Houston, TX. 15646, ICC15-15646; Rider Form Numbers: 13600-5, 15600-7, 15600, ICC15-15600, 15600-5, 13601, ICC13-13601, 82012, 82410, 88390, 14002, ICC14-14002, 14306, 07620, 15997, 15996, 15271, ICC15-15271, 15274, ICC15-15274, 15272, ICC15-15272, 15273, ICC15-15273. Issuing company AGL is responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG). Guarantees are backed by the claims-paying ability of the issuing insurance company. AGL does not solicit business in the state of New York. Products may not be available in all states and product features may vary by state. Please refer to your contract.

This information is general in nature, may be subject to change, and does not constitute legal, tax or accounting advice from any company, its employees, financial professionals or other representatives. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your individual circumstances, consult a professional attorney, tax advisor or accountant

© AIG 2018. All rights reserved.

NOT A DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE |  
NO BANK OR CREDIT UNION GUARANTEE | NOT FDIC/NCUA/NCUSIF INSURED