

Your client may find that...

2 Policies Are Better Than 1

SCENARIO #1

Objective: Maximize working years coverage and more with Return of Premium

Policies: Guaranteed Universal Life and Term

During the working years, this two policy solution delivers higher death benefit coverage when you most need it for replacing income for loved ones while offering coverage for chronic illness needs through the Accelerated Access Solution® (AAS) Rider.

At retirement, when income replacement death benefit needs are not as great, the Lifestyle Income Solution® (LIS) will return ALL PREMIUMS PAID on BOTH the Select-A-Term and the Secure Lifetime GUL 3 policy over a 10 year period. Pay a premium near or equivalent to an ROP Term policy and like ROP 30 year term, receive all premiums paid back. Unlike ROP Term, there is a meaningful death benefit and chronic illness coverage remaining.

EXAMPLE

George, age 55, is preferred NT and has a \$1M insurance policy need but he probably won't need \$1M indefinitely. He would prefer to not pay premiums during his retirement years and would like an option of turning his life policy into positive cash flow. Using the Lifestyle Income Solution (LIS) Rider, here is what would be presented assuming that the Secure Lifetime GUL 3 policy is paid up at age 75.

2 POLICY SOLUTION ^{1,2}		
\$500k Secure Lifetime GUL 3	20-Pay Asset Protector Premium	\$9,923
\$500k 20 yr SAT	20 yr Term Premium	\$1,729
	Total Annual Premium	\$11,067
	X 20 Years	\$233,040
	LIS @ 75, Age 76-85	\$237,500
Receive back all "guaranteed" paid premium and still have Remaining DB		\$25,000



SUMMARY

With a two policy solution George would pay a little more per year versus an ROP Term, but he would recoup all of his premium expenses over a 10 year period.

While his Secure Lifetime GUL 3 policy is in force, George can accelerate 2% of that policy's death benefit per month in the event of a chronic illness diagnosis.³

SCENARIO #2

Objective: Double Guaranteed Income Duration

Policies: 2 Guaranteed Universal Life policies

Asset Protector is a unique suite of riders that allows your clients to accelerate their death benefit for either Chronic Illness or supplemental retirement income. *You can be your own beneficiary!* There is only one limitation...you must take the income over a 10-year duration and the income taken prior to age 85 will be received on a discounted basis. So, if one policy is limited to 10 years of income just take out two policies to ladder for 20 years of guaranteed income!

EXAMPLE

Jonathan, age 45, qualifies for preferred NT rates and takes out a single Secure Lifetime GUL 3 policy for \$1M. Assuming he has the Accelerated Access Solution (AAS) for 2% monthly and 50% of the DB, he will have an annual premium of \$10,944 to age 75. He can then take out \$100K per year from ages 86-95 or a lesser discounted amount if he chooses to start the income earlier. Or, he could take out two \$500K policies with the same AAS benefit as the original, for a total premium outlay of \$12,026. Now, he can have one policy providing guaranteed annualized income of \$30K from ages 76-85 and another with guaranteed annual income of \$50K from ages 86-95.

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SUMMARY

For just over \$1,000 of additional annual premium we've now doubled the guaranteed income duration by simply taking out two policies. This \$1M "pool" isn't just for retirement income as it can also be accelerated for Chronic Illness or cognitive impairment. Whatever portion isn't accelerated for retirement or Chronic Illness will pass on to your beneficiary income-tax free (based on current federal income tax law).

Objective: Reduce Risk of Over Coverage
Policies: 2 Guaranteed Survivorship policies

A need for \$1M of survivorship coverage today may look different tomorrow based on changes in estate tax, financial issues, or any other number of issues that may require you to reduce your total coverage. Today, AG Secure Survivor GUL II with 100% Return of Premium (ROP) in year 15 offers your client the flexibility to deal with change.

EXAMPLE

Ernest, a 65 year old male and Sandra, a 60 year old female are both standard non-tobacco classes. They currently have a \$1M insurance need that would cost \$12,483 per year for a single policy guaranteed to age 105.



2 SECURE SURVIVOR POLICIES SOLUTION ¹		
Policy 1	Age 105 Premium	\$6,622
Policy 2	Age 105 Premium	\$6,622
	Total Annual Premium	\$13,244
Policy 1	Surrender ROP In Year 15	\$99,325
Policy 2	Single Pay in Year 16 to Maintain Age 105 Guarantee	\$78,000
	Remaining ROP	\$21,300
	Death Benefit Yrs 16+	\$500,000

SUMMARY

The total cost of owning two policies, in this example, went up by \$761. Now, in year 15, your client can surrender one of the \$500k policies and receive the \$99,325 Return of Premium (ROP). If the choice is made to no longer pay premiums on the remaining \$500k policy the policy holder would just need to pay \$78K as a lump sum which would still leave them with \$21,300 of ROP and no future premiums due.



¹ This supplemental 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.

² SAT Premium rate current as of 4/16/2018; rates may vary by state. Premiums available for other rate classes, ages and payment plans. Premium charges depend on evidence of insurability. Premiums increase at the end of the guaranteed term if policy is renewed. Death benefit remains level.

³ This assumes the 2% monthly payout option was selected on the Accelerated Access Solution.

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.

Policies issued by American General Life Insurance Company (AGL). Policy form numbers 15442, ICC15-15442, ICC16-16901, 16901, 13239, ICC13-13239; rider form numbers 15972, 13600, ICC13-13600, 13600-5, 15600, ICC15-15600, 15990, ICC15-15990 except in New York, where issued by the United States Life Insurance Company in the City of New York (US Life), Policy Form Number 15442N, 15442NU, 16901N. Rider form numbers 17600N. Guarantees are backed by the claims paying ability of the issuing insurance company. AGL does not solicit business in New York. Products may not be available in all states and product features may vary by state. State variations may apply. Please refer to the policy for complete details. There may be a charge for each rider selected. See rider for details regarding the benefit descriptions, limitations and exclusions. © 2018 AIG. All rights reserved.