



Chronic Illness Living Benefit
(California Only)

Access your death benefits **while living.**

Accelerated Access Solution[®]

*Chronic Illness Accelerated Death Benefit Rider (optional) for
Secure Lifetime GUL 3; Value+ Protector ; Max Accumulator+*



Policies issued by American General Life Insurance Company, AIG member company.



Put your life insurance to work

What are the odds...

of actually having a chronic illness?

91% About 91% of older adults have at least one chronic condition, and 73% have at least two.²

Don't most people have...

health insurance or Medicare to pay for something like this by the time it happens?

NOT COVERED

Individuals may need long-term support and services at ANY age, and Medicare and most health insurance plans will NOT pay for them.³

If you became chronically ill...

which kind of treatment would you want: the cheapest available or the highest quality possible—will you have the financial freedom to make the choice?

\$220^K The average 65-year old couple retiring in 2014 can expect \$220,000 in out-of-pocket medical expenses through the duration of their retirement.⁴
OUT-OF-POCKET

Ask yourself...

- Do I need life insurance to protect myself and my family?
- Would I prefer those life insurance benefits available in life or death, instead of the additional cost of a "use it or lose it" long-term care policy?
- After seeing a friend or family member suffer a health care event, am I prepared for how expensive it can be?
- Am I in generally good health, but want possibilities for future care as I age and my health deteriorates?
- If I am certified as chronically ill, would I like to tap into my life insurance benefits for necessary treatment?



Chronic Illness Rider

Think life insurance only pays out to your loved ones when you die? Not anymore.

Access your own life insurance benefits **while living**.

By adding the **Accelerated Access Solution (AAS)** chronic illness rider to a select life insurance policy, you can potentially access your income tax-free life insurance benefits, if certified as having a chronic illness.¹

Should an eligible chronic illness occur, you can be paid monthly benefits until that illness improves or your AAS benefit is exhausted—whichever happens first. See full rider for details¹

It's a good option for consumers who understand the value of combining death benefit and chronic illness protection into one.

AAS Helps Provide Freedom of Choice

Unlike many long-term care reimbursement policies, it can be used to pay for virtually any expense – even those unrelated to the illness:

- Adult daycare
- Assisted living or nursing home
- Massage therapy
- Prescription drugs
- Home maintenance (lawn, handyman, etc.)
- Home improvements (new furniture, upgraded shower, ramp installation, etc.)
- Gas for transportation to and from treatments
- Cash in the pocket of a friend or loved one taking time off work to assist in your care

How it works

Using your benefit

- **Multiple benefit payment options** – two options for monthly disbursement:
 - 2% of AAS benefit, or the applicable maximum monthly amount if less
 - 4% of AAS benefit, or the applicable maximum monthly amount if lessThe maximum monthly amount is \$10,000 increased annually by 4% until the time of claim.
 - You will also have the option at the time of claim to receive the accelerated benefit in a lump sum payment instead of the monthly payment option you selected at the time of purchase. 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.⁵
- **Waiver of monthly deduction** – if you file an approved chronic illness claim to access your money via your AAS rider, then you will not be responsible for paying policy deductions while you continue to access those benefits
- **Flexible options with total benefit amount** – select any amount between 50%-100% of the base policy life insurance benefit amount⁶
- **Care coordination services available** – variety of optional and free support services available to you at time of claim
- **Control how your own claim money is spent** – money goes directly into your pocket, not the health provider or care facility
- **Not a typical “use it or lose it” long-term care policy** – benefits due are paid no matter what... either to the insured if they become chronically ill, or to your beneficiaries at the time of your death.⁷
- **No receipts required** – you don’t need to show or tell us how you spend your money
- **No waiting period** – chronic illness benefits are available for activation as soon as the policy is issued, subject to 90 day eligibility period

Becoming eligible

To activate the rider, an insured person must be certified by a licensed health care practitioner to be considered a “chronically ill person.” One of the following health impairment criteria must be met for a period of at least 90 consecutive days:

1. The insured is unable to perform, without substantial assistance from another person, at least two of the Activities of Daily Living (ADLs):
 - Bathing
 - Eating
 - Continence
 - Toileting
 - Dressing
 - Transferring
2. The insured requires substantial supervision from threats to health and safety due to a severe cognitive impairment (similar to Alzheimer’s and other forms of irreversible dementia) that is measured by clinical evidence and standardized tests measuring:
 - Short-term or long-term memory
 - Orientation as to people, places or time, and
 - Deductive or abstract reasoning

Once all criteria are met, monthly benefits may begin.⁸

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Chronic conditions do not need to be considered “life-long” or permanent in order to be eligible.

Getting paid

Once the insured meets the health impairment criteria and benefits have been approved for payment, you will select your disbursement.

There is a maximum benefit payable under the monthly disbursement option that we'll notify you of at your time of claim. You can also select a smaller amount than the maximum monthly benefit if you like. You'll be given a lump sum option as well; which can be substituted for monthly benefits.

Remember: AAS must be selected at the time of purchase.¹⁰ The monthly cost of the rider will vary based on the AAS benefit amount selected, issue age, gender and underwriting class.

Before you buy

Pick your payout

With AAS you have two choices for monthly benefit payouts, but you must select which monthly disbursement option you prefer at the time of purchase:

- 2% of your AAS benefit¹¹
- 4% of your AAS benefit¹¹

For either chronic illness benefit scenario, any life insurance benefit amounts unused/unpaid to you after your chronic illness claim will be available to be paid to your beneficiary at the time of your death.¹²

Once you decide on how you want to receive your benefit, the following will occur:

1. Payment of Accelerated Access Solution benefits, which are designed to be received income-tax-free⁸ will begin.
2. Monthly deductions will be waived for as long as the policy owner meets the chronic illness requirements.
3. The life insurance benefit will be reduced by each Accelerated Access Solution benefit amount paid to the policy owner.
4. At death, any remaining life insurance benefit will be paid to your policy beneficiary income-tax-free.⁹

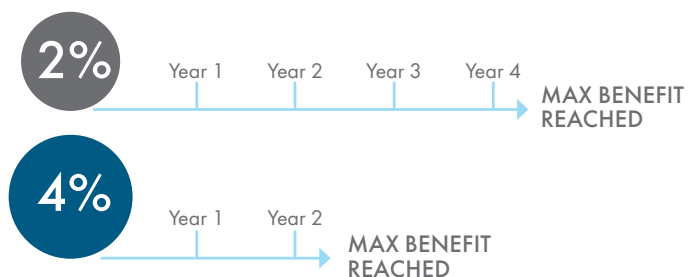
Hypothetical AAS Benefits for a \$250,000 policy

A \$250,000 Secure Lifetime GUL 3 policy is purchased with a (100%) \$250,000 Accelerated Access Solution benefit. The premiums paid were structured to guarantee death benefits until reaching age 100.

Example of Payout

| Payout Option | Rate ¹¹ Type | Monthly Payout Maximum | Full \$250,000 Benefit Realized |
|---------------|-------------------------|------------------------|---------------------------------|
| 2% | Fixed | \$5,000 | 4 years, 2 months |
| 4% | Fixed | \$10,000 | 2 years, 1 month |

Speed of Total Payout



Life insurance you don't have to die to use

Protect your loved ones, and yourself. Add the optional **Accelerated Access Solution** to your Secure Lifetime GUL 3, Value+ Protector or Max Accumulator+ life insurance policy and get potentially income tax free¹³ access to your death benefits while living. If certified with a chronic illness; remaining life insurance policy benefits continue to pay beneficiaries, as planned, after you die.¹³

Two forms of protection in one powerful policy.

Important Notice Regarding the Chronic Illness Accelerated Death Benefit Rider

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.

However, it is important to note the following:

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) 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 terminate also.

¹ If the annual amount received by the policy owner for chronic illness benefits from all applicable sources exceeds the actual cost of care in a year or exceeds the IRS per diem exclusion limit aggregated for the portion of the year during which the Insured Person was certified as being chronically ill, some of the benefits may be taxable. Policy owners should consult their own tax advisors regarding how receipt of the benefit will apply to their own tax situation.

² National Council on Aging: www.ncoa.org/improve-health/center-forhealthyaging/chronic-disease, 2014

³ Source: Medicare & You 2015, U.S. Department of Health and Human Services

⁴ Source: Fidelity Benefits Consulting Study, 2014

⁵ 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.

⁶ Insured must be certified as chronically ill by a licensed health care practitioner and meet all eligibility requirements.

⁷ Assumes all remaining premiums are paid on time and in full.

⁸ Insured must be certified as chronically ill by a licensed health care practitioner and meet all eligibility requirements.

⁹ Based on current federal income tax laws, policy owners should consult a qualified tax advisor.

¹⁰ The free Terminal Illness Rider must be added to the policy in addition to the Accelerated Access Solution rider.

¹¹ Assumes all remaining premiums are paid on time and in full.

¹² The maximum monthly amount is \$10,000 increased annually by 4% until the time of claim.

¹³ Assumes all remaining premiums are paid on time and in full.

For this brochure to be complete for California residents, they must be provided the "California Resident Supplemental Information" flyer on the Accelerated Access Solution (AGLC108547).



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

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