Secure Lifetime GUL 3

Guaranteed Universal Life Insurance
Frequently Asked Questions

Q. What is the Enhanced Surrender Value Rider?

A. The Enhanced Surrender Value Rider is automatically included on the Secure Lifetime GUL 3 and will provide the option to fully surrender your policy and receive back all or a portion of your premiums paid at one of two points in time.

Q. When can the Enhanced Surrender Value Rider be activated?

A. You have the option to fully surrender your policy during the 60 day period following either the end of the 20th policy year or the end of the 25th policy year.

Q. How is the amount that I will get back determined upon activation of the Enhanced Surrender Value Rider?

A. If you surrender your policy at the end of year 20 you may receive up to 50% of your premiums paid back. If you wait until the end of year 25 you may receive up to 100% of your premiums paid back. Under both options the amount received is limited to the Enhancement Cap which is 40% of the Death Benefit.

Example:

- Death Benefit $1M
- Total Premium Paid at the end of year 25 is $500,000
- Enhanced Surrender Value amount would equal $400,000 (40% of the death benefit)

Q. Are there certain designs, premium payment structures or age and risk class combinations which will limit my refund of premium to the cap of 40% of the face amount?

A. There are certain situations, for example 10 pays, where an older client (65+) combined with a lower risk class may only receive a refund at the 40% of face amount cap at year 25 rather than a full 100% of premium paid. Lifetime payment structures on older clients 70+ may also be limited to a refund based on the 40% of face amount cap.

Example:

Male age 60 SNT with a DB of $400,000, solving for a premium to guarantee the policy to age 105

- 10 pay premium on an annual basis $16,475
- Cumulative total over 10 years is $164,754
- ROP cap of 40% of DB equates to $160,000

Result – if the insured surrenders the policy at the end of the 25th year, then the ROP would be for $160,000, not the $164,754. This type of situation appears to occur most frequently in short pay scenarios (10 pays at standard class and below).

To help explain the ROP further new graphics *(Fig. 1)* have been included in illustrations stating what the ROP amount is at the end of years 20 and 25. It is dynamic so it is specific to each illustration.

Enchanced Surrender Value Rider ROP

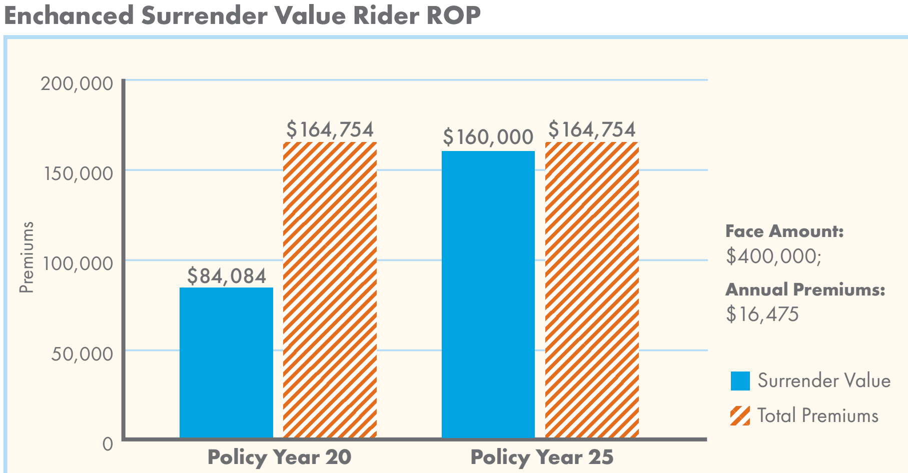

Figure 1

Hypothetical representation for illustrative purposes only.

FAQs Continue on reverse.

California Resident Supplemental Information" flyer on the Accelerated Access Solution (AGLC108547).

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Q What is meant by "guarantee premium"?

A. The guarantee premium is the premium required to guarantee coverage for the duration specified. Secure Lifetime GUL 3 offers the policy owner the flexibility to choose the length of time he or she wants the guarantee to last, be it to age 105 or lifetime, or any other period of time.

Q. Where does it say that the death benefit is guaranteed?

A. In two separate places:

In the Policy: The policy outlines the requirements of the Continuation Guarantee provision. While the methodology used to calculate the Continuation Guarantee is complex, the provision stipulates that the policy will not lapse as long as the Continuation Guarantee is in effect.

On the Quote: The quote shows how the policy performs on a guaranteed basis over several years. As long as the quoted premium is paid on time each year, the quote shows the actual guaranteed death benefit and cash value.

Q. If interest rates rise and there is enough cash value in the policy to carry it to maturity (age 121), do the guarantee premiums still need to be paid?

A. No. Guarantee premiums are only needed if the policy's cash value falls to zero and the policy would otherwise lapse. The Continuation Guarantee stipulates that as long as the guarantee premiums are paid, the policy will not lapse even if the cash value falls to zero* (as long as the conditions of the Continuation Guarantee have been met).

Q. Can the Continuation Guarantee ever be lost?

A. Certain policy owner actions can cause the Continuation Guarantee to be shortened or lost. For instance:

- Not paying the premiums when they are due. The timing of payments is important in calculating the value of the Continuation Guarantee Account. Late or skipped payments affect the value of the Continuation Guarantee Account. (See the section on late payments.)
- Taking loans from the policy, as these affect the Continuation Guarantee Account value.
- Making policy changes such as increasing the death benefit or adding a rider, as these can affect the Continuation Guarantee Account value. In these cases, the Continuation Guarantee can be maintained as long as corresponding changes to the amount of premium being paid are also made. Secure Lifetime GUL 3 offers the flexibility to design the product that best meets the policy owner's needs and can change with his or her changing circumstances.

A. Can the company cause the Continuation Guarantee to be lost?

A. No.

Q. Can the premium needed for the guarantee ever go up?

A. The premium required for the guarantee can increase due to actions taken by the policy owner. Actions that affect the Continuation Guarantee include, but are not limited to: (1) not paying the guarantee premiums when they are due; (2) taking loans; and (3) making policy changes such as increasing the death benefit or adding riders. For instance, if the policy owner increases the death benefit amount, the guarantee premium he or she has been paying may not be sufficient to guarantee the new higher death benefit for the same length of time. In order to maintain the Continuation Guarantee for the new death benefit, a larger guarantee premium may be required.

Q. Can the premium needed for the guarantee ever go down?

A. Yes. Certain actions by the policy owner can cause the guarantee premium amount to decrease, such as removing a rider or reducing the death benefit.

Q. What if the policy owner makes a late payment or skips a payment?

A. **Late Payments:** Because we know that from time to time policy owners may send a late payment, we will credit a payment received prior to the next policy month anniversary as if it was received on time for the purposes of calculating the value of the Continuation Guarantee Account. Payments applied beyond the 1 month window may shorten the duration or cause loss of the continuation guarantee.

Skipped Payments: A skipped payment may shorten the duration or cause loss of the Continuation Guarantee because it affects the calculation of the Continuation Guarantee Account value. If such a situation occurs, Secure Lifetime GUL 3 gives policy owners the option to pay additional premium in order to preserve the guarantee. In general, the best course of action is to pay the minimum guarantee premium and pay it on time.

Q. Is the Continuation Guarantee affected by the timing of 1035 exchanges?

A. The company will credit 1035 exchange proceeds as if received on the issue date for purposes of calculating the value of the Continuation Guarantee Account.

Q. Can a loan be taken from the policy? How does a loan affect the Continuation Guarantee?

A. Yes, a policy owner may borrow from the policy at any time as long as the policy is in force and the amount borrowed is equal to or less than the policy's loan value (cash value less any outstanding loans, surrender charges, and interest due on the amount to be borrowed). Taking a loan from the policy will cause the Continuation Guarantee to be adjusted. However, Secure Lifetime GUL 3 is a low cost death benefit focused product that is unlikely to generate enough cash value to take a loan.

* The policy can lapse if interest due on loans cannot be covered by the Cash Value, even if the continuation guarantee is in effect.

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