

Flexible premium, adjustable death benefit
universal life insurance with
secondary guarantee provisions

Life insurance protection
with *optionality*SM



A compelling unbeatable
package of guarantees
and flexibility

**American
General**
Life Companies

Long-term protection and maximum flexibility with **AG Secure Lifetime GUL[®]**

- ▶ Guaranteed death benefit
- ▶ Guaranteed access
- ▶ Guaranteed cash value
- ▶ Lifestyle Income SolutionSM helps protect against outliving retirement income

Life may be unpredictable, but your long-term financial security shouldn't be. To safeguard your family or business, you need long-lasting protection and more financial control during uncertain economic times. You need life insurance with **OptionalitySM**: a strong package of guarantees and flexibility.

AG Secure Lifetime GUL is an ideal life insurance solution if you:


- Need the death benefit protection of life insurance
- Are age 40-75 and in reasonably good health
- Are risk averse and want strong guarantees
- Need to provide cash or replace income following your death
- Seek a policy that can adapt to changing circumstances
- Seek additional protection against outliving your income

OptionalitySM in action

AG Secure Lifetime GUL provides long-term guarantees to protect your policy from lapse. Unlike other products of its kind, it can also build substantial long-term guaranteed cash value, and to adapt to future needs by allowing policyowners the choice to:

- Create an additional income stream in retirement while maintaining a guaranteed death benefit
- Reduce the death benefit and premium while maintaining the original coverage guarantee period
- Withdraw cash value from the policy yet still maintain the original coverage guarantee period
- Terminate coverage and surrender the policy for cash value
- Exchange the policy for one that better suits the current need



A middle-aged man with short grey hair, wearing a grey polo shirt, is smiling broadly while looking at a tablet device. He is sitting at a table, and the background is a bright, out-of-focus window with greenery outside.

Guaranteed death benefit and continuation guarantee account

With AG Secure Lifetime GUL, your death benefit coverage can be guaranteed—regardless of the policy cash value—as long as sufficient premium has been paid to maintain the guaranteed death benefit.^{1,2}

This policy provision frees you from worries about your coverage lapsing. The value of the Continuation Guarantee Account is determined in a calculation similar to the actual policy value. However, its charges and interest rates are fixed and do not change during the life of the policy. The Continuation Guarantee Account is a reference value that is used to determine whether the no-lapse guarantee is in effect at any point in time.

Coverage will continue as long as enough premium is paid to guarantee the death benefit. You choose the duration of the no-lapse guarantee, so you won't be paying for a longer period of protection than you desire.

Guaranteed premium

AG Secure Lifetime GUL offers the flexibility to choose the number of years or age to which you want the death benefit to be guaranteed, as long as the premium associated with that guarantee is paid. You also have the flexibility to structure a premium payment plan that meets your needs. You can pay premiums continuously over the life of the policy or pay additional premium to shorten the payment period and pre-fund the coverage guarantee. The death benefit amount can be increased at any time (subject to satisfactory evidence of insurability).²



Guaranteed access

AG Secure Lifetime GUL also provides you the opportunity to build guaranteed cash value that can be accessed in the future through withdrawals.³ Making a partial withdrawal of cash value will result in a proportional reduction of the accumulation value, Continuation Guarantee Account value, guaranteed cash value, and the death benefit amount, which also leads to an approximate proportional reduction in the guarantee premium.⁴

This unique method of handling a withdrawal allows you to easily estimate future coverage and premium requirements so it is simple to maintain the policy after taking a withdrawal.

Guaranteed cash value accumulation

While it is common for cash value accumulation in universal life insurance policies to be illustrated on a non-guaranteed basis, AG Secure Lifetime GUL quotes contain only guaranteed cash value accumulation. The cash value accumulation is clearly stated in your signed quote. You no longer need to be concerned about policy performance since the cash value accumulation is guaranteed.

¹ Guarantees are subject to the claims-paying ability of the issuing insurance company.

² Subject to the policy's terms and conditions.

³ Partial withdrawals or loans will reduce the death benefit and cash value and could reduce the duration of coverage. Partial withdrawals may be taxed as regular earnings. Policy owners should consult a tax advisor to determine if a transaction is a taxable event.

⁴ The reduction in specified amount will be subject to the same guidelines and restrictions as outlined in the policy. The resulting remaining death benefit amount must be no less than \$50,000.

Consumer-friendly features

Because it is not always possible for you to make premium payments precisely when they are due, AG Secure Lifetime GUL contains consumer-friendly processing features.

- **Late Payments:** Premium payments received within a 28-day window after a due date will be credited as if received on that due date for the purpose of maintaining the death benefit guarantee
- **1035 Exchanges:** Proceeds from 1035 exchanges will be treated as if received on the date of issue for the purpose of maintaining the death benefit guarantee⁵

In both situations above, the accumulation value is credited with interest from the date the premium is received.

⁵ Internal Revenue Code Section 1035 and associated rules are complex in nature. The policy owner may incur surrender charges from the previous policy and be subject to new sales and surrender charges as well as other limitations with the new policy. It is highly recommended that the policy owner consult a tax advisor prior to exchanging a policy.

Think about what may contribute to the possibility of outliving your retirement income.

Do any of these issues concern you?

- Mortgage payments that extend beyond retirement age
- Credit card debt
- Historically low interest rates
- Poorly performing 401(k)s
- Changes in health insurance
- Social Security uncertainty
- Becoming a burden on family
- Insufficient retirement income
- Outliving your income

Lifestyle Income SolutionSM

In addition to the valuable protection guarantee that AG Secure Lifetime GUL provides for your family, you can also help protect against outliving your retirement income with our *Lifestyle Income Solution*SM.

Increased longevity is not just a possibility – statistics show it's very likely:

- In 2050, the number of Americans age 65 and older is projected to be 88.5 million, more than double its projected population of 40.2 million in 2010.⁶
- For a married couple age 65, there is a 50% chance that at least one spouse will live to 94, and a 10% chance that one will live to 104.⁷

The positive aspects of living longer do come with some financial concerns:

- 61% of Americans surveyed said they were more afraid of outliving their assets than they were of death.⁸
- 48% of Americans ages 45-70 have no financial plans in place to protect themselves against outliving their assets and the rising cost of healthcare should they live longer than expected.⁸

Our *Lifestyle Income Solution* was developed to help preserve your standard of living. It provides the option to receive a living benefit to help supplement your retirement income.

⁶ The Next Four Decades, The Older Population in the United States: 2010 to 2050 U.S. Department of Commerce, Economics and Statistics Administration, U.S. CENSUS BUREAU, Issued May 2010, P25-1138

⁷ Prepared by Ernst & Young Insurance and Actuarial Advisory Services practice. The analysis uses the Annuity 2000 mortality table with Scale G2 mortality improvements.

⁸ State of the Insured Retirement Industry: 2012 Recap and a 2013 Outlook, Insured Retirement Institute

Planning for Retirement

Paul*, age 55, plans to retire in about ten years. His 401(k) is expected to generate \$2,000 per month for life. Paul estimates he will receive \$1,500 per month in Social Security benefits, and he also has \$300,000 in a savings account.

Paul plans to withdraw about \$1,500 a month from his savings account which, when combined with social security and his 401(k), should generate an income of \$5,000 per month. He estimates this will allow his wife, Linda, and him to maintain their standard of living.

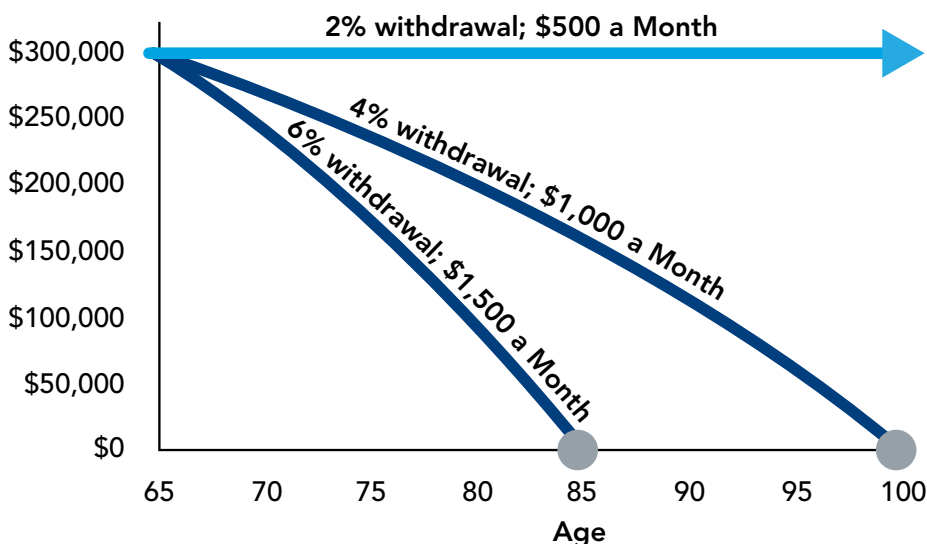
Recently Paul had a meeting with his financial advisor. His advisor told Paul the amount he was planning to withdraw from his savings would deplete his account by his age 85.

His financial advisor showed Paul some options, where he could withdraw \$500 per month, which could potentially last for his lifetime; in addition, his advisor showed Paul that if he wanted to withdraw \$1,000 per month, payments could potentially last to age 100.

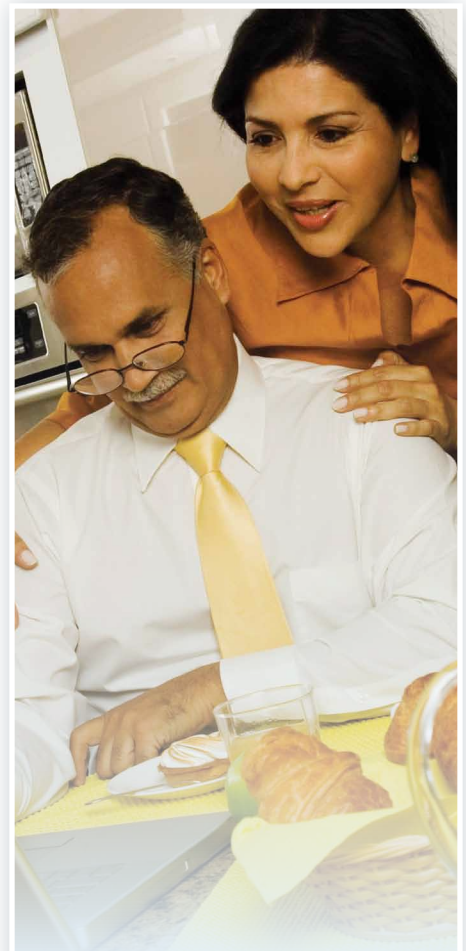
Since Paul was adamant about withdrawing \$1,500 per month, his advisor estimated that, at today's interest rates, such withdrawals will exhaust Paul's savings at age 85.

Rate of Savings Depletion When Taking Income

(based on \$300,000 with a 2% Earned Rate)



*Hypothetical example-not an actual case



Paul needs a solution that will help provide ample income throughout his retirement while providing guaranteed life insurance protection should he predecease Linda.


With AG Secure Lifetime GUL and our *Lifestyle Income Solution*, you have protection against dying too soon and also against outliving your income.

Paul meets with his life insurance agent who, after a review of Paul's insurance and retirement income needs, recommends that Paul purchase a \$490,000 AG Secure Lifetime GUL policy with our *Lifestyle Income Solution*.

After considering all the sources of his retirement income and when they may be depleted, Paul decides to buy the policy, add the Lifestyle Income Solution, and chooses to begin receiving withdrawals after he turns 85.⁹ Paul feels secure knowing that if he needs to supplement his income in his later years, he'll have the option to do so.

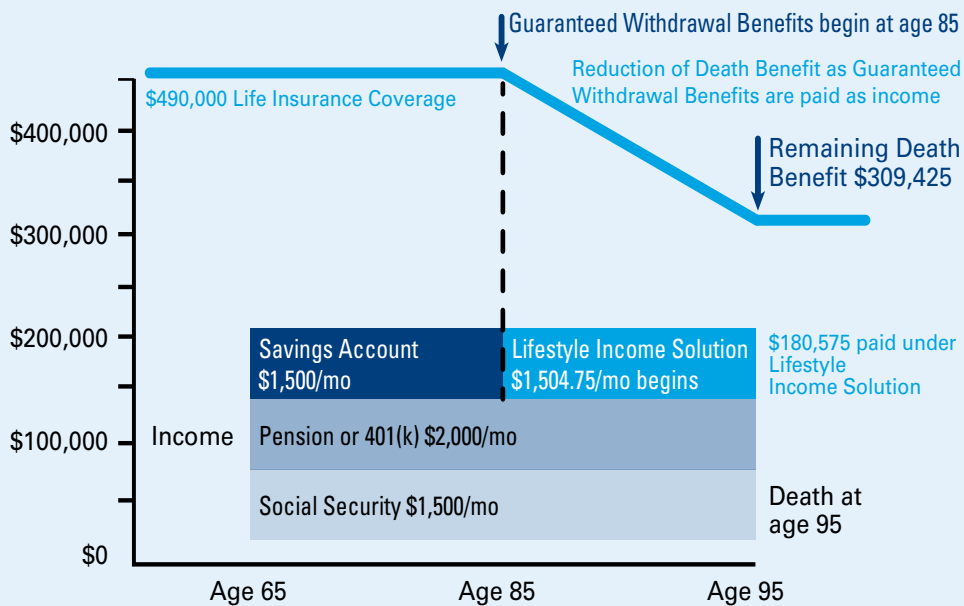
Paul also needs to choose the portion of the life insurance coverage that will be used to provide for withdrawal benefits under the Lifestyle Income Solution, which based on his income needs, is 37%. This amount will provide him with at least \$1,500 per month after he turns 85. Paul can withdraw any amount from the minimum of \$500 up to the maximum of \$1,504.75.¹⁰

Paul and Linda are fortunate to enjoy good health and are still very active seniors at age 85. As Paul's financial advisor predicted, his savings are nearly depleted, so he decides to take advantage of his *Lifestyle Income Solution*.¹¹ Paul is guaranteed to receive a withdrawal benefit amount of \$1,504.75 for the next ten years (120 months) plus a final month's payment containing a residual balance.



Withdrawals under the *Lifestyle Income Solution* may be subject to income tax. Consult your personal tax advisor for more information.

Paul's *Lifestyle Income Solution*: What it can do



Linda dies when Paul is 94, and Paul passes away a year later. When he dies, his policy still has a \$309,425 death benefit, which passes to his beneficiaries - his two sons.

Paul's decision to purchase our *Lifestyle Income Solution* allowed him to make important financial choices later in life. If Paul had chosen not to access his withdrawal benefit, his entire death benefit of \$490,000 would go to his sons. Or, he could have withdrawn a lesser amount for a longer period of time.

Important information regarding our *Lifestyle Income Solution*SM

For information about how an AG Secure Lifetime GUL policy with the Lifestyle Income Solution might work for you, including specific premium requirements, your insurance professional can provide you with a personalized policy quotation. If our underwriters determine that you are in overall good health and/or are a non-user of tobacco and/or otherwise have a reasonable expectation of longer life, your premium for the Lifestyle Income Solution may be higher than the premium for someone whose overall health condition is not as good and/or who uses tobacco, because of the greater potential that you may receive benefits under the Lifestyle Income Solution. The primary purpose of life insurance is to provide a death benefit. Please consult your own advisor for tax or legal advice, as withdrawals under the Lifestyle Income Solution may be subject to income tax.

9 Paul must select a target date that is at least 15 years after the issue date.

10 The maximum withdrawal benefit basis percentage that may be selected is subject to limitations and may be less than 100% of the life insurance coverage amount. The total withdrawal benefits and the guaranteed withdrawal benefit amount payable will depend on the date that withdrawal benefits begin. The withdrawal benefit basis percentage Paul selected will provide total withdrawal benefits of \$180,575 and a guaranteed withdrawal benefit amount of \$1,504.75 if withdrawal benefits begin on the policy anniversary following Paul's age 85.

11 Withdrawals under the Lifestyle Income Solution must begin on a policy anniversary. Certain payment and other conditions must be met for such withdrawals to be available at that time, including, but not limited to, that Paul pay enough premium payments so that at age 85, no further payments will be necessary for the policy to continue to his age 100.

AG Secure Lifetime GUL[®] with Lifestyle Income SolutionSM Highlights at a Glance

Key Benefits

- Guaranteed death benefit protection
- Flexible Continuation Guarantee allows policy owners to select their guarantee period and premium funding period
- Guaranteed cash value accumulation provides flexibility if needed in the future¹²
- Unique pro-rata adjustments on partial withdrawals allow policy to remain in force with proportionally reduced death benefit, cash values, and guaranteed premiums
- Consumer-friendly features
 - for purposes of maintaining death benefit guarantees, premium payments received within 28 days following date of issue and each subsequent premium due date are treated as received on time
 - for purposes of maintaining death benefit guarantees, 1035 exchange premiums are treated as if received on the date of issue⁵

Lifestyle Income SolutionSM

- Optional, premium-paying rider provides guaranteed withdrawal benefits (regardless of the cash surrender value under the policy)
- Begins on the initial election date for withdrawal benefits and on each month thereafter
- Issue ages 18-70
- Minimum specified amount \$100,000
- Max specified amount \$10,000,000 (Assuming no other coverage in force)
- Minimum Eligibility Period for the rider is 15 years
- The Lifestyle Income Rider must be issued in conjunction with the Terminal Illness Rider. This requirement does not apply in New York.

Minimum Death Benefit \$100,000 at issue (\$50,000 after partial withdrawal)

Issue Ages 18-80

Other Available Riders¹³ and Options

Accidental Death Benefit

- Provides an additional death benefit if death is accidental
- Double Accidental Death Benefit is paid if the death is sustained while a fare-paying passenger on a licensed public conveyance
- Minimum: \$25,000
- Maximum: The lesser of \$200,000 or the initial sum insured under the policy

Children's Insurance Benefit Rider

- Provides term insurance on the base insured's dependent children—up to but not including age 25
- Minimum: \$1,000
- Maximum: \$10,000

Spouse/Other Insured Rider (except in New York)

- Provides level term insurance on the insured's spouse
- Minimum: \$10,000
- Maximum: Two times the base policy

Terminal Illness Rider (except in New York)

- Provides an accelerated death benefit (living benefit) when the insured is diagnosed with a terminal illness (12 months or less to live)
- One-time acceleration benefit of up to 50 percent of the base policy death benefit (less policy loans and excluding riders)
- Maximum: \$250,000
- Subject to an administrative fee
- Some states require a signed disclosure form at time of application

Waiver of Monthly Deduction Rider

- Waives the monthly deduction while the insured is disabled after six months of disability
- Premiums are based on the insured's attained age
- Rider not available for face amounts greater than \$5 million

Option to Extend Coverage¹⁴

Allows the policy owner to elect to extend the coverage under the policy beyond the original maturity date. If this option is elected, then starting on the original maturity date, (1) the policy death benefit is set to equal the death benefit in effect immediately prior to the original maturity date, (2) no monthly deductions will be made, and (3) no new premium payments will be accepted. There are no additional charges associated with this benefit.

¹² Accessing cash values may affect the continuation guarantee.

¹³ See the riders for complete details. There may be a charge for each rider selected. 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.

¹⁴ Policies may be subject to tax consequences when continued beyond the maturity date. The policy may not qualify as life insurance under the Internal Revenue Code after age 100. Policy owners should consult a tax advisor before electing this option.

Frequently Asked Questions (FAQ's) for **AG Secure Lifetime GUL**

- 1. What is meant by “guarantee premium”?** The guarantee premium is the premium required to guarantee coverage for the duration specified. AG Secure Lifetime GUL offers the policy owner the flexibility to choose the length of time he or she wants the guarantee to last, be it 20 or 30 years—or any other period of time.
- 2. Where does it say that the death benefit is guaranteed?**

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.
- 3. How long do the guarantee premiums have to be paid and how long does the guarantee last?**

The policy owner can choose how long he or she wants the guarantee to last, be it 20 or 30 years, or any length of time up to the insured's age 121. The quote software allows you to select the duration of the guarantee and will calculate the guarantee premium required for the length of time chosen. In addition, the policy owner can choose to pre-fund the guarantee by selecting the number of years over which he or she wants to pay premiums.
- 4. 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?** 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).
- 5. Can the Continuation Guarantee ever be lost?** 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. AG Secure Lifetime GUL offers the flexibility to design the product that best meets the policy owner's needs and can change with his or her changing circumstances.
- 6. Can the company cause the Continuation Guarantee to be lost?** No.
- 7. Can the premium needed for the guarantee ever go up?** 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.
- 8. Can the premium needed for the guarantee ever go down?** 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.
- 9. What if the policy owner makes a late payment or skips a payment?**

Late Payments: Because we know that from time to time policy owners may send a late payment, we will credit payments received within 28 days of the due date as if received on time for the purposes of calculating the value of the Continuation Guarantee Account. Payments applied beyond the 28-day 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, AG Secure Lifetime GUL 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.
- 10. Is the Continuation Guarantee affected by the timing of 1035 exchanges?** 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.
- 11. Can a loan be taken from the policy? How does a loan affect the Continuation Guarantee?** 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.

American General

Life Companies

Policies issued by: American General Life Insurance Company, 2727-A Allen Parkway, Houston, Texas 77019. Policy Form Numbers 10460, ICC-10460; Lifestyle Income Rider Form Number 13972; Accidental Death Benefit Rider Form Number 82012; Children's Insurance Benefit Rider Form Number 82410; Spouse/Other Insured Term Rider Form Number 88390; Terminal Illness Rider Form Number 91401; Waiver of Monthly Deduction Rider Form Number 82001. The United States Life Insurance Company in the City of New York, One World Financial Center, 200 Liberty Street, New York, New York, 10281. Policy Form Number 10460N; Lifestyle Income Rider 13972N; Accidental Death Benefit Rider Form Number ADB791E; Children's Insurance Benefit Rider Form Number CI791E1; Waiver of Monthly Deduction Rider Form Number 82001N. The underwriting risks, financial and contractual obligations and support functions associated with the products issued by American General Life Insurance Company (AGL) and The United States Life Insurance Company in the City of New York (US Life) are the issuing insurer's responsibility. Guarantees are subject to the claims-paying ability of the issuing insurance company. American General does not solicit business in the state of New York. Policies and riders not available in all states. American General Life Companies, www.americangeneral.com, is the marketing name for a group of affiliated domestic life insurers, including AGL and US Life. These product specifications are not intended to be all-inclusive of product information. State variations may apply. Please refer to the policy for complete details. © 2013. All rights reserved.

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