

QoL Flex Term Revisions - Rate Reductions and Product Updates

We're making some important revisions to QoL Flex Term to make it even more competitive! We're rolling out improvement in pricing competitiveness, while maintaining certain key features of QoL Flex Term.

QoL Flex Term with 22 level premium durations will continue to be included in our Quality of Life...Insurance suite of products and the QoL Advantage discount program. As each state approves QoL Flex Term (ANB), QoL Flex Term (ALB) will be discontinued.

WHAT'S NEW?

- **Age Nearest Birthday (ANB) rather than Age Last Birthday (ALB) will be used to calculate rates.** The merger of AIG domestic life companies to one AGL company requires a change in how Nashville-based products calculate the age of a proposed insured. Historically, American General Life Insurance Company (along with most other life insurance companies) have used ANB as the age calculation. The change to ANB will become effective on our newly-revised QoL Flex Term product and on the new QoL Performer Plus product. (Information on QoL Performer Plus sent under separate cover.)
- **Reduced Rates.** We are pleased to introduce lower rates on most Term durations! See below table for premium comparison examples when compared to the current QoL Flex Term (ALB).

Male Preferred Plus (Best Rate) 10 year Level Premium Period

Age	\$100,000	\$250,000	\$500,000	\$1,500,000
40	-4%	-21%	-17%	-6%
50	-18%	-17%	-17%	+1%

Male Preferred Plus (Best Rate) 20 Year Level Premium Period

Age	\$100,000	\$250,000	\$500,000	\$1,500,000
40	-10%	-18%	-14%	-9%
50	-13%	-10%	-4%	+1%

Male Standard Non-Tobacco 10 Year Level Premium Period

Age	\$100,000	\$250,000	\$500,000	\$1,500,000
40	-13%	-10%	-8%	-15%
50	-3%	-14%	-4%	+10%

Male Standard Non-Tobacco 20 Year Level Premium Period

Age	\$100,000	\$250,000	\$500,000	\$1,500,000
40	-15%	-10%	-8%	No Change
50	-11%	-5%	-5%	+1%

Underwriting Changes. In order to provide Term rates that are among the best in the industry, we are making changes to a few of our Preferred Class criteria. These changes only apply to QoL Flex Term.

Blood Pressure: Five points deducted from maximum systolic blood pressure reading to qualify for respective preferred classes along with 3-4 deducted from diastolic readings at Pref and Std Plus classes

Example: Current guideline is Preferred Plus max 140/85

New Term guideline is Preferred Plus max 135/85

Lab Scoring: Currently in use for high-risk cases only

New Term guidelines, lab scoring becomes an additional preferred criterion.

Transition Rules:

iGo Applications, Passport Illustration System and MobileQuote. AGL's iGo electronic application, Passport Illustration Systems and MobileQuote are being programmed to support QoL Flex Term. See below for additional information.

Passport's on-line system is always up to date. Producers that also operate personal computers disconnected from an on line service are to conduct an internet update to their personal computers on August 18, 2014 to receive the new QoL Flex Term.

New Business Applications

In all cases the age entered on an application for life insurance coverage will use the current age.

Backdating to save age

In the event an applicant desires backdating the policy to save age*, there are no changes to new business procedures. Agents are to use the age calculation method (ALB or ANB, applicable to the desired product).

*See the separate Product Announcement, Change to ANB for additional information on Backdating to save age.

New Business Submission rules for discontinued products. New business submission rules have been developed to efficiently transit from discontinued products to the new QoL Flex Term.

iGo, Electronic Applications

If an application for a QoL Flex Term (ALB), is transmitted "In Good Order*" prior to the effective date, AGL will process the application. It is highly recommended that you complete and submit all "in process" applications for QoL Flex Term (ALB) before August 18, 2014.

For a period of 3 weeks following August 18, 2014, we will keep QoL Flex Term (ALB) in the iGo Product selection grid (on the Case Information screen). (Note: This will allow the agent to complete/submit Locked Cases for a period of time.)

On The Effective Date:

- New Case: If the Agent selects a discontinued product in a State where the new product is available; Passport Illustration and iGO will present a screen saying, "The specified product has been discontinued in this state. Please make another selection."
- Locked Case (discontinued products): When the agent enters iGo for a Locked Case, he/she will be permitted to complete the eSignature and eSubmit process.
- Locked Cases not submitted (discontinued products): After 10 business days since the date of Lock, the case will be auto-submitted as "abandoned" per standard business practice.
- Agent Unlock (discontinued products): If the Agent Unlocks a Case with that includes a discontinued product (s), the agent will receive a message, the agent will be forced to select a new product to continue the case.

Paper Applications

If a paper application for a QoL Flex Term (ALB) is dated prior to August 18, 2014, and received in the Home Office, in good order*, on August 29, 2014 or earlier, AGL will process the application. Applications received after August 29, 2014 for discontinued products will be returned.

*In Good Order are submitted applications having all requirements, forms and documents necessary for a policy to be issued.

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