

AGLA Freedom Products

MasterLife

Whole Life Insurance

5-Year Renewable Term

Worksite Term[®]

Agent Guide

June 2011

AGLA[®]

American General Life and Accident Insurance Company

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AGLA Freedom Products Agent Guide

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Product Description-*MasterLife*

Provides level amount, excess interest whole life coverage with adjustable premiums payable to age 121. The product matures at age 121 for the cash value.

The plan has both a gross and net premium for each mode offered. The gross premium (amount paid by the policy owner) includes premium charges for any optional benefits elected, as well as an appropriate administrative expense adjustment (charge or credit) for the policy size and rating class. The gross premium may be adjusted (up or down) after five years.

The net premium is credited directly to the Insured's Accumulation Value as each modal premium is applied.

The Death Benefit amount for these plans will be the larger of:

- A. The Face Amount, or
- B. The Accumulation Value multiplied by the appropriate Death Benefit factor (corridor calculation)

Issue Limits-*MasterLife*

Ages 0-19, \$25,000 and above Standard

Ages 20-80, \$25,000-\$99,999, Standard Non-Tobacco, and Standard Tobacco

Ages 20-80, \$100,000 and above, Standard Non-Tobacco, Standard Tobacco, and Preferred Non-Tobacco

Substandard available through Table P

Premium Modes-*MasterLife*

MAO*

MNO**

Automatic Bank Draft (ABC), Automatic Bank Draft Worksite (ABC-W), Monthly (M), Quarterly (QTR), Semi-Annual (SA), Annual (A)

PNO: Quarterly (Q), Semi-Annual (SA), Annual (A)

Other: Salary Savings (SS), Government Allotment (GA)

*Available at \$25,000 only for Career Service Professionals and eligible Sales Agents only.

**Available when monthly premium is \$50.00 or more

Cash Value-*MasterLife*

The cash value of a MasterLife policy at any time is the larger of:

- The guaranteed cash value

OR

- The accumulation charge minus any applicable surrender charge

Cash Surrender Value-*MasterLife*

A policy owner may surrender the policy to the company at any time for the full cash value, minus any policy loan plus interest not repaid.

Note:

- The surrender charge is reduced each year and there is no surrender charge after the policy has been in force for 19 years
- When a surrender is made, the policy is no longer in force.

Reduced Paid-up Insurance-*MasterLife*

A policy owner may elect to discontinue their premium payments at any time and, if there is cash value, take a reduced amount of paid-up whole life insurance.

Policy Loans-*MasterLife*

In the event of a financial opportunity or emergency, a policy owner may obtain a policy loan for any amount up to the cash surrender value

- The annual interest rate charged by the company on a policy loan is 8% and the interest is due on each policy anniversary.
- The policy's death benefit and net cash value are reduced by the amount of any outstanding loan and interest due.

Riders

Premium Waiver (PW)-*MasterLife*

This rider waives the premium for the insured's policy and any riders if the insured becomes total disabled for at least six months (180 days in Missouri). The policy will remain in full benefit.

- If the insured becomes totally disabled before age 60, premiums will be waived (from the time the disability began) for as long as the insured continues to be disabled.
- If the insured becomes totally disabled on or after age 60, but before age 65, premiums will be waived (from the time the disability began) until the insured is age 65 or one year after the disability began, whichever is later.

Accidental Death Benefit (ADB) Rider-*MasterLife*

In the event of an accidental death before age 70, an accidental death benefit will be paid to the beneficiary, in addition to the death benefit of the policy.

Issue Ages: 18 – 65

Termination Age: 70

Issue Amount: \$25,000 and up

Level Term Rider (LTR) 20 Year-*MasterLife*

This rider provides an additional amount of term life insurance coverage on the insured for a period of 20 years.

Issue ages: 18 – 60

For issue ages 51 – 60, coverage will be less than 20 years and not extend beyond age 70.

Issue amount: \$25,000 and up

Spouse Level Term Rider (SLTR) 20 Year-*MasterLife*

This rider provides coverage on the spouse of the insured for a period of 20 years, but not beyond the spouse's age of 70.

Issue ages: 18 – 60

For issue ages 51 – 60, coverage will be less than 20 years and not extend beyond age 70.

Spouse age must be within 15 years of the base insured.

Issue amount: (maximum up to Base Insured's Death Benefit)

- Age 18 – 39 = \$25,000 and up
- Age 40 – 60 = \$15,000 and up

Children's Term Life Insurance Rider-*MasterLife*

This rider provides term life insurance on the base Insured's dependent children until the earlier of the Insured Child's 25th birthday or the Insured's age 65. To be eligible for coverage, a child must be the base Insured's child, legally adopted child, or stepchild. Premiums are a level amount per \$1,000 regardless of the number of children covered under the rider.

- A newborn child is covered when he/she is seven days old
- Amount: Minimum-\$5,000
Maximum-\$12,500, not to exceed the base amount.

Single Premium Whole Life Insurance Rider-*MasterLife*

This rider provides the option to purchase additional permanent life insurance coverage available at issue only by making an additional one-time premium payment to a Single Premium Whole Life Rider

Additional Insurance Option (AIO)-*MasterLife*

Issue ages: 0 – 35

Minimum amount: base Specified Amount

Maximum amount: lesser of Specified Amount or \$100,000

AIO is not available on a substandard policy, nor can an option be exercised and issued substandard. AIO provides options to purchase level premium, level amount of life insurance on specified option dates without evidence of insurability.

The amount of the new coverage may not exceed the AIO coverage option amount. The new coverage will include premium waiver if the policy to which the AIO is attached contains premium waiver and the premium/deductions for that policy are not being waived.

Regular option dates occur within 90 days before any of the following events:

- Policy anniversary following the insured's 27th, 30th, 33rd, 37th and 40th birthdays.
- Alternate dates:
 - Marriage of the insured
 - Live birth of a child of the insured
 - Legal adoption of a child by the insured

Exercise of an alternate option nullifies the next regular option date, and the total number of options that may be exercised.

Product Description-Whole Life

Provides level coverage for life. The face amount is payable at the insured's death. Premiums are payable for the life on the insured or age 121.

Issue Limits-Whole Life

Low Band

| | | |
|--------------|--------------------|----------------------------------|
| Ages 0-19: | \$5,000 - \$15,000 | Standard |
| Ages 20-49†: | \$5,000 - \$15,000 | Standard Non-Tobacco and Tobacco |
| Ages 50-85†: | \$5,000 - \$24,999 | Standard Non-Tobacco and Tobacco |

†AGLA does offer a minimum policy face amount of \$2,000 or more if the annualized premium is at least \$300.

High Band

| | | |
|-------------|---------------------|---|
| Ages 0-19: | \$25,000 - UP | Standard |
| Ages 20-85: | \$25,000 - \$99,999 | Standard Non-Tobacco and Tobacco |
| Ages 20-85: | \$100,000 – UP | Preferred Non-Tobacco, Standard Non-Tobacco and Tobacco |

Substandard through Table P (Table may vary depending on age)

Premium Modes-Whole Life

MAO*

MNO**

Automatic Back Draft (ABC), Automatic Bank Draft (ABC-W), Monthly (M), Quarterly (QTR), Semi-Annual (SA), Annual (A)

PNO: Quarterly (Q), Semi-Annual (SA), Annual (A)

Other: Salary Savings (SS), Government Allotment (GA)

*Available at low band and \$25,000 high band only, Career Service Professionals and eligible Sales Agents.

**Available when monthly premium is \$50.00 or more

Riders

Riders available for Face Amounts: **\$2,000 to \$24,999**

Premium Waiver (PW)-Whole Life

This rider waives the premium for the insured's policy and any riders if the insured becomes totally disabled for at least six months (180 days in Missouri). The policy will remain in full benefit.

- If the insured becomes totally disabled before age 60, premiums will be waived (from the time the disability began) for as long as the insured continues to be disabled.
- If the insured becomes totally disabled on or after age 60, but before age 65, premiums will be waived (from the time the disability began) until the insured is age 65 or one year after the disability began, whichever is later.

Accidental Death & Dismemberment (AD&D) Rider-Whole Life

This rider pays an additional death benefit if the insured's death results from an accident. In addition, in the case of a dismemberment loss, all future premiums will be waived.

The Dismemberment Benefit is payable for loss of eyesight or limb prior to the policy anniversary next following the Insured's 70th birthday.

Dismemberment Benefit per \$1,000 for:

Loss of one member by severance: \$500

Loss of sight of one eye: \$500

Loss of two or more members by severance: \$1,000

Loss of sight of both eyes: \$1,000

Issue Ages: 0 – 65

Termination Age: 70

Level Term Rider (LTR) 20 Year-Whole Life

This rider provides an additional amount of term life insurance coverage on the insured for a period of 20 years.

Issue ages: 18 – 60

For issue ages 51– 60, coverage will be less than 20 years and not extend beyond age 70.

Issue amount: (maximum up to Specified Amount)

- Age 18 – 49 = \$5,000 to \$15,000
- Age 50 – 60 = \$5,000 to \$24,999

Spouse Level Term Rider (SLTR) 20 Year-Whole Life

This rider provides coverage on the spouse of the insured for a period of 20 years, but not beyond the spouse's age of 70.

Issue ages: 18–60

Spouse age must be within 15 years of the base insured.

For issue ages 51–60, coverage will be less than 20 years and not extend beyond age 70.

Issue amount: (maximum up to the Base Insured's Death Benefit)

- Age 18 – 49 = \$5,000 to \$15,000
- Age 50 – 60 = \$5,000 to \$24,999

Riders available for Face Amounts: **\$25,000 and above**

Premium Waiver (PW)-Whole Life

This rider waives the premium for the insured's policy and any riders if the insured becomes totally disabled for at least six months (180 days in Missouri). The policy will remain in full benefit.

- If the insured becomes totally disabled before age 60, premiums will be waived (from the time the disability began) for as long as the insured continues to be disabled.
- If the insured becomes totally disabled on or after age 60, but before age 65, premiums will be waived (from the time the disability began) until the insured is age 65 or one year after the disability began, whichever is later.

Accidental Death Benefit (AD) Rider-Whole Life

This rider pays an additional death benefit if the insured's death results from an accident.

Issue Ages: 0 – 65 through Table F

For Issue Amounts \$25,000 and up

Level Term Rider (LTR) 20 Year-Whole Life

This rider provides an additional amount of term life insurance coverage on the insured for a period of 20 years

Issue age: 18 – 60

For issue ages 51 – 60 coverage will be less than 20 years and not extend beyond age 70.

Issue amount: \$25,000 and up

Spouse Level Term Rider (SLTR) 20 Year-Whole Life

This rider provides coverage on the spouse of the insured for a period of 20 years, but not beyond the spouse's age of 70.

Issue ages: 18 – 60

For issue ages 51 – 60 coverage will be less than 20 years and not extend beyond age 70.

Spouse age must be within 15 years of the base insured.

Issue amount: (maximum up to the Base Insured's Death Benefit)

- Age 18 – 60 = \$25,000 and up

Children's Term Life Insurance Rider-Whole Life

This rider provides term life insurance on the base Insured's dependent children until the earlier of the Insured Child's 25th birthday or the Insured's age 65. To be eligible for coverage, a child must be the base Insured's child, legally adopted child, or stepchild. Premiums are a level amount per \$1,000 regardless of the number of children covered under the rider.

- A newborn child is covered when he/she is seven days old
- Amount: Minimum-\$5,000

Maximum-\$12,500, not to exceed the base amount.

Terminal Illness Rider (TIR) -*Whole Life*

This no-cost rider allows the owner to accelerate up to 50% of the death benefit to a maximum of \$100,000 of an Insured Person's base life insurance (subject to the Maximum Elected Death Benefit) in the event the insured is diagnosed with a terminal illness. A Terminal Illness is defined as an illness or physical condition that is certified by a Physician to be reasonably expected to result in the insured's death within 12 months from the date of certification.

Additional Insurance Option (AIO)-*Whole Life*

Issue ages: 0-35

Minimum amount: base Specified Amount

Maximum amount: lesser of Specified Amount or \$100,000

AIO is not available on a substandard policy, nor can an option be exercised and issued substandard. AIO provides options to purchase level premium, level amount of life insurance on specified option dates without evidence of insurability.

The amount of the new coverage may not exceed the AIO coverage option amount.

The new coverage will include premium waiver if the policy to which the AIO is attached contains premium waiver and the premium/deductions for that policy are not being waived.

Regular option dates occur within 90 days before any of the following events:

- Policy anniversary following the insured's 27th, 30th, 33rd, 37th and 40th birthdays.
- Alternate dates:
 - Marriage of the insured
 - Live birth of a child of the insured
 - Legal adoption of a child by the insured

Exercise of an alternate option nullifies the next regular option date, and the total number of options that may be exercised.

Product Description- *5-Year Renewable Term*

Provides level coverage for 5 years with renewal available at the end of each 5 year period assuming the insured is age 85 or less at the time of renewal. The face amount is payable at the insured's death during the term period.

Issue Limits- *5-Year Renewable Term*

Ages 18-19, \$25,000 and above Standard

Ages 20-39, \$25,000-\$99,999, Standard Non-Tobacco, and Standard Tobacco

Ages 40-75, \$15,000-\$99,999, Standard Non-Tobacco, and Standard Tobacco

Ages 20-75, \$100,000 and above Tobacco Distinct, Preferred Underwriting

Substandard available through Table H

Premium Modes- *5-Year Renewable Term*

5-Year Renewable Term

MAO*

MNO**

Automatic Bank Draft (ABC), Automatic Bank Draft (ABC-W) ,Monthly (M), Quarterly (QTR),Semi-Annual (SA),Annual (A)

PNO: Quarterly, Semi-Annual (SA), Annual (A)

Other: Salary Savings (SS), Government Allotment (GA)

*Available for Face Amounts of base plan below \$50,000, Career Service Professionals and eligible Sales Agents only.

**Available when monthly premium is \$50.00 or more

Riders

Premium Waiver (PW)- 5-Year Renewable Term

This rider waives the premium for the insured's policy and any riders if the insured becomes totally disabled for at least six months (180 days in Missouri). The policy will remain in full benefit.

- If the insured becomes totally disabled before age 60, premiums will be waived (from the time the disability began) for as long as the insured continues to be disabled.
- If the insured becomes totally disabled on or after age 60, but before age 65, premiums will be waived (from the time the disability began) until the insured is age 65 or one year after the disability began, whichever is later.
- For 5RT policies, if premiums are being waived at the end of the conversion period, the policy will be converted to a whole life policy and premiums will be waived for the whole life policy while disability continues.

Accidental Death Benefit (ADB) Rider- 5-Year Renewable Term

In the event of an accidental death before age 70, an accidental death benefit will be paid to the insured's beneficiary, in addition to the death benefit of the policy.

Issue Ages: 18-65

Termination Age: 70

Children's Term Life Insurance Rider- 5-Year Renewable Term

This rider provides term life insurance on the base Insured's dependent children until the earlier of the Insured Child's 25th birthday or the Insured's age 65. To be eligible for coverage, a child must be the base Insured's child, legally adopted child, or stepchild. Premiums are a level amount per \$1,000 regardless of the number of children covered under the rider.

- A newborn child is covered when he/she is seven days old
- Amount: Minimum-\$5,000
Maximum-\$12,500, not to exceed the base amount.

Terminal Illness Rider (TIR)- 5-Year Renewable Term

This no-cost rider allows the owner to accelerate up to 50% of the death benefit to a maximum of \$100,000 of an Insured Person's base life insurance (subject to the Maximum Elected Death Benefit) in the event the insured is diagnosed with a terminal illness. A Terminal Illness is defined as an illness or physical condition that is certified by a Physician to be reasonably expected to result in the insured's death within 12 months from the date of certification.

Product Description-*Worksite Term*

Provides level premium term life insurance coverage available for the worksite market. The product is eligible for inclusion in an employer sponsored 125 (cafeteria plan) with a minimum of 10 employees.

Issue Limits-*Worksite Term*

Non-Section 125:

Issue Ages 18-70, \$10,000-\$90,000

Section 125:

Issue Ages 18-70, \$10,000-\$50,000

Premium Modes-*Worksite Term*

Worksite Modes only (PD & ABCW). However the product is portable, therefore if an employee leaves the company he/she may have the mode changed to ABC monthly, quarterly, semi-annual, or annual.

Riders

Premium Waiver (PW)-Worksite Term

This rider waives the premium for the insured's policy and any riders if the insured becomes totally disabled for at least six months (180 days in Missouri). The policy will remain in full benefit.

- If the insured becomes totally disabled before age 60, premiums will be waived (from the time the disability began) for as long as the insured continues to be disabled.
- If the insured becomes totally disabled on or after age 60, but before age 65, premiums will be waived (from the time the disability began) until the insured is age 65 or one year after the disability began, whichever is later.

Children's Term Life Insurance Rider-Worksite Term

This rider provides term life insurance on the base Insured's dependent children until the earlier of the Insured Child's 25th birthday or the Insured's age 65. To be eligible for coverage, a child must be the base Insured's child, legally adopted child, or stepchild. Premiums are a level amount per \$1,000 regardless of the number of children covered under the rider.

- A newborn child in covered when he/she is seven days old
- Amount: Minimum-\$5,000
Maximum-\$12,500, not to exceed the base amount.

Accidental Death Benefit (ADB) Rider-Worksite Term

In the event of an accidental death before age 70, an accidental death benefit will be paid to the insured's beneficiary, in addition to the death benefit of the policy.

Issue Ages: 18-65

Termination Age: 70

Spouse Level Term Rider (STR)-Worksite Term

This rider provides coverage on the spouse of the insured, but not beyond the spouse's age of 70.

Issue ages: 18-70

Spouse age must be within 15 years of the base insured.

When the Spouse Rider coverage applied for is an amount up to and including \$20,000, neither the signature nor oral fluids of the spouse are required.

