IUL Cost vs. Performance

Max Accumulator+ Generating Stable Income in Good or Bad Years

June 2018
Traditional IUL Charges and Fees

- **Premium Load** = % of Premium
- **Monthly Charges** = DB X per 1,000’ rate
- **Policy Fee** = a fixed charge per month
- **COI** = Net Amount of Risk X COI factor

**Diagram:**
- **Beginning Account Value + New Premium**
  - **Premium Load**
  - **Monthly Charges & Policy Fee**
  - **Cost of Insurance (COI)**
  - **Other Charges**
- **Interest**
- **Account Value Enhancement/ Bonus**
- **Ending Account Value**

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### Emerging Use of “Other Charges” on IUL

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>PRODUCT</th>
<th>MAX ILLUSTRATED RATE</th>
<th>OTHER CHARGE</th>
<th>BENEFITS OF THE CHARGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>American General</td>
<td>Max Accumulator+</td>
<td>7.44% MLSB index account</td>
<td>N/A</td>
<td>N/A</td>
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</tbody>
</table>
| Pacific Life           | Pacific Discovery Xelerator IUL | 7.35% 1-Year High Cap Indexed Account | • An additional face amount-based Coverage Charge across all indexed accounts (not disclosed in contract)  
• 0.8% Index Account charge | • A non-guaranteed, variable “Performance Factor” multiplier from year 3 – amount not disclosed  
• A non-guaranteed higher cap (13%) |
| John Hancock           | Accumulation IUL 18            | 7.88% High Capped Indexed Account | An additional 1.98% asset-based annual charge across all indexed accounts | A guaranteed Multiplier on every index option from year 1, in the range of 30%-55% |
| Lincoln Financial      | Lincoln WealthAccumulate IUL (2018) | 6.09% Perform Indexed Account | An additional 1% asset-based annual charge on Perform Index Account | A non-guaranteed 32% Multiplier on Perform Account from year 1 |
| Securian Financial     | Securian Orion IUL             | 7.64% S&P 500 High Cap | • An Index Segment Charge across all indexed accounts  
• 0.5% Index Account charge | • A non-guaranteed, variable “Annual Policy Credit” bonus  
• A non-guaranteed higher cap (13.75%) |
| Symetra                | Symetra Accumulator IUL        | 7.71% S&P 500® Index - Select | An additional 0.50%-1.00% annual charge for buying up caps or par rates on three Select Index Accounts | Select Index Accounts with higher cap (14%) and participation rates (145%) |
When you add “Other Charges” to traditional IUL charges, cost structure could vary significantly across different IUL products

Max Accumulator+ has the lowest total cost and no additional charges for “buy-up” index accounts or index bonuses/multipliers

Male 40, PPNT, 7 pays of $20,000 annual premium, Minimum DB level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, using index account with the max illustrated rate.

About 70% are coverage charge to support performance factor
Income Performance in Optimal Conditions
Max Accumulator+ has the second highest annual income at max illustrative rate

Male 40, PPNT, 7 pays of $20,000 annual premium, Minimum DB level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, using index account with the max illustrated rate.
Income Performance When Market Conditions Drop
Max Accumulator+ has the highest annual income at 6% credited rate

Male 40, PPNT, 7 pays of $20,000 annual premium, Minimum DB level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, using the same index account with max illustrated rate.
Income Performance When Market Conditions Worsen
Max Accumulator+ continues to be an income leader at 5% credited rate

Male 40, PPNT, 7 pays of $20,000 annual premium, Minimum DB level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, using the same index account with max illustrated rate.
Income Performance in Worst Market Conditions
Max Accumulator+ is the only product to generate income at 4% credited rate

Male 40, PPNT, 7 pays of $20,000 annual premium, Minimum DB level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, using the same index account with max illustrated rate.
Compare costs as well as performance on IULs!

Max Accumulator+ has a low and transparent cost structure that generates optimal and stable income in good or bad years.
Important Information

Income data generated on 6/14/2018. Every attempt has been made to verify the accuracy of this information, but rates are subject to change at any time. These carriers are peer group competitors of American General Life Insurance Company. Max Accumulator + With Blended Index Participation Account (7.44%, Policy Form # ICC15-15646), John Hancock Accumulation IUL with High Capped Indexed Account (7.88%, Policy Form #18AIUL), Minnesota Life Orion IUL (7.64%, Policy Form #ICC16-20073), Symetra Accumulator IUL (7.71%, Policy Form #ICC17_LC1), Pacific Life Pacific Discovery Xelerator (7.35%, Policy Form # ICC15_P1SIUL), 40% Perm/60% Term, Lincoln WealthAccumulate IUL (2018) with Perform Index Account (6.09%, Policy Form # UL 6083 / ICC18UL6083).

Policies issued by: American General Life Insurance Company (AGL), Policy Form Numbers: 15646, ICC15-15646; Rider Form Numbers: 13600-5, 15600, ICC15- 15600, 15600-5, 13601, ICC13-13601, 82012, 82410, 88390, 14002. ICC14-14002, 14306, 07620, 15997, 15996, 15271, ICC15-15271, 15274, ICC15- 15274, 15272, ICC15-15272, 15273, ICC15-15273 except in New York, where issued by The United States Life Insurance Company in the City of New York (US Life), Policy Form Numbers15646N, 15646NU; Rider Form Numbers ADB791E, CI791E1, 82001N, 07620N, 15997N,15996N, 15994N, 15271N, 15274N, 15272N. Issuing companies AGL and US Life are responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG). Products may not be available in all states and product features may vary by state. Guarantees are backed by the claims-paying ability of the issuing insurance company. AIG is the marketing name for the worldwide property-casually, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. This information is general in nature, may be subject to change, and does not constitute legal, tax or accounting advice from any company, its employees, financial professionals or other representatives. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your individual circumstances, consult a professional attorney, tax advisor or accountant.

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**Competitor IULs Total Cost Comparison**

Max Accumulator+ offers one of the most efficient cost structures

Male 40, PPNT, 7 pays of $20,000 annual premium, Minimum DB level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, illustrated with best index account at max illustrated rate.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>PRODUCT</th>
<th>TOTAL COST AGE 65</th>
<th>TOTAL COST AGE 85</th>
<th>TOTAL COST AGE 100</th>
</tr>
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<tbody>
<tr>
<td>American General</td>
<td>Max Accumulator+</td>
<td>$44,798</td>
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<td>Accumulation IUL 18</td>
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<td>Pacific Life</td>
<td>Pacific Discovery Xelerator IUL</td>
<td>$271,417</td>
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COMPETITOR DATA CURRENT AS OF JUN 12, 2018
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## Competitor Income Performance Comparison

Male 40, PPNT, 7 pays of $20,000 annual premium, Minimum DB level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, illustrated using best index account at different rates.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>PRODUCT</th>
<th>INCOME AT MAX RATE</th>
<th>INCOME AT 6%</th>
<th>INCOME AT 5%</th>
<th>INCOME AT 4%</th>
<th>TARGET PREMIUM</th>
</tr>
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<tbody>
<tr>
<td>American General</td>
<td>Max Accumulator+</td>
<td>$57,385</td>
<td>$37,468</td>
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<td>Orion IUL</td>
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<td>Lincoln Financial</td>
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<td>$37,973</td>
<td>$36,638</td>
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