

Power Protector Index Annuities: New name and feature updates for Lifetime Income Plus Flex GLB

Effective March 22, 2021

The Lifetime Income Plus Flex guaranteed living benefit on the Power Protector Index Annuities is being updated to create stronger income opportunities. The simplification will enable us to focus on providing the highest possible guaranteed withdrawal and roll-up rates. The updates will be effective March 22, 2021.

The unique flexibility afforded by the living benefit will remain unchanged, but to help differentiate between the pre-March 22, 2021 benefit and the newly updated benefit launching on March 22, 2021, the rider name will be changed to *Lifetime Income Choice*. We have outlined the feature changes below.

In addition to the GLB updates, we will also be retiring the Activities of Daily Living (“ADL”) rider.

Guaranteed Living Benefit Updates

We will be making the following changes to the Lifetime Income Plus Flex living benefit:

- Updating its name to Lifetime Income Choice
- Adding a choice of two different lifetime income options to help create a customized retirement income solution tailored to your client’s specific needs and preferences:
 - **Level Income**, where the Maximum Annual Withdrawal Percentage and Protected Income Payments are equal
 - **Max Income**, where the Maximum Annual Withdrawal Percentage is higher than Protected Income Payments

Note: The MAWP is the percentage of Income Base used to calculate the initial Maximum Annual Withdrawal Amount. The PIPP is the percentage of Income Base used to calculate the Lifetime Income once the contract value falls to zero.

- More competitive withdrawal rates (provided below)
- A longer Income Credit (roll-up) period that will continue up to the Lifetime Income Activation Date
- Living benefit fee increase from 1.00% to 1.10%.

Feature components **no longer being offered as of March 22, 2021:**

- Partial Income Credits or “Keep the Difference”
- Doubling of the Income Base when withdrawals have not been taken prior to the 10th contract anniversary

The Lifetime Income Choice benefit will continue to afford the flexibility to make changes to Covered Person elections after issue and to take pre-activation withdrawal without reducing roll-up rate or locking-in lifetime withdrawal rates. Together with the new updates, the feature is well differentiated and may offer the value financial professionals are looking for when solving for their clients’ retirement income needs. See below for transition rules.

New Life Income Choice GLB Withdrawal Rates

As of March 22, 2021, for new contracts issued with the **Lifetime Income Choice** living benefit feature, the following Maximum Annual Withdrawal Percentages and Protected Income Payment Percentage will apply:

Number of Covered Persons and Age of the Covered Person(s) at Income Activation*	Lifetime Income Choice <u>Level Income</u>		Lifetime Income Choice <u>Max Income</u>	
	Maximum Annual Withdrawal Percentage	Protected Income Payment Percentage	Maximum Annual Withdrawal Percentage	Protected Income Payment Percentage
One Covered Person (Age 50 to 59)	3.40%	3.40%	3.65%	3.00%
One Covered Person (Age 60 to 64)	3.90%	3.90%	4.65%	3.00%
One Covered Person (Age 65 to 71)	5.25%	5.25%	6.25%	4.00%
One Covered Person (Age 72 and older)	5.85%	5.85%	7.25%	4.00%
Two Covered Persons (Age 50 to 59)	3.00%	3.00%	3.25%	2.60%
Two Covered Persons (Age 60 to 64)	3.50%	3.50%	4.25%	2.60%
Two Covered Persons (Age 65 to 71)	4.85%	4.85%	5.85%	3.60%
Two Covered Persons (Age 72 and older)	5.45%	5.45%	6.85%	3.60%

* Based on the age of the covered person if the contract is jointly owned with **one covered person**, or the age of the younger individual if **two covered persons** are elected.

Income Credit Rate	5.50% of the Income Credit Base until activation of Lifetime Income withdrawals
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Retirement of the ADL Withdrawal Rider

Effective March 22, 2021, the Activities of Daily Living (“ADL”) withdrawal rider will be retired and no longer available on newly issued contracts. We will continue to offer the Extended Care and Terminal Illness withdrawal riders. See below for transition rules.

Transition Rules

Paper Applications

- *Cash with Application:* To receive the pre-March 22, 2021 Lifetime Income Plus Flex feature and the ADL withdrawal rider, the application must be signed no later than Sunday, March 21, 2021. The application and initial premium must be received in good order by the AIG Annuity Service Center no later than Monday, April 5, 2021.
- *1035 or Transfer Business:* To receive the pre-March 22, 2021 Lifetime Income Plus Flex feature and the ADL withdrawal rider, the application and transfer paperwork must be signed no later than Sunday, March 21, 2021 and must be received in good order by the AIG Annuity Service Center no later than Monday, April 5, 2021. The initial premium must be received, and the contract must be issued no later than Monday, May 24, 2021.

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Electronic Submissions (Appless)

- *Cash with Application:* To receive the pre-March 22, 2021 Lifetime Income Plus Flex feature and the ADL withdrawal rider, the electronic order must have a submission date no later than Sunday, March 21, 2021. The electronic transmission, application and initial premium must be received in good order by the AIG Annuity Service Center no later than Monday, April 5, 2021.
- *1035 or Transfer Business:* To receive the pre-March 22, 2021 Lifetime Income Plus Flex feature and the ADL withdrawal rider, the electronic order must have a submission date no later than Sunday, March 21, 2021. The electronic transmission, application and transfer paperwork must be received in good order by the AIG Annuity Service Center no later than Monday, April 5, 2021. The initial premium must be received no later than Monday, May 24, 2021.

Important Notes: Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be suitable or appropriate for all clients. Stocks and bonds are subject to risks, including the possible loss of principal.

Early withdrawals may be subject to withdrawal charges. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply.

Annuities are issued by **American General Life Insurance Company** (AGL), Houston, Texas. AGL is a member of American International Group, Inc. (AIG). The underwriting risks, financial and contractual obligations and support functions associated with the annuities issued by AGL are its responsibility. Guarantees are backed by the claims-paying ability of AGL. AGL does not issue products in the state of New York. Annuities and riders may vary by state and are not available in all states.

Index interest accounts are not a permanent part of the contract and may be removed due to circumstances beyond the control of American General Life Insurance Company. Such circumstances include, but are not limited to, the discontinuation of an index, which may occur at the end of an index term, a change in the composition or calculation of an index, the inability to license the use of an index and the inability to hedge risks associated with these index interest accounts. Special rules govern how assets in a discontinued index interest account may be reallocated. These rules may differ by state. Please see your contract for more information.

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