



# Value+ Protector II Index Universal Life Insurance (IUL)

Provide clients strong guarantees,  
volatility control and cash value access



We see the future in you.<sup>SM</sup>

## Many clients understand the need for life insurance

...but also know they need more money to supplement retirement income. This is why IUL products, like Value+ Protector II, offer strong guaranteed death benefits similar to traditional permanent life insurance products, but also provide flexibility and meaningful cash accumulation that can be accessed in the future.

Often times, Value+ Protector II can provide an attractive death benefit, cash accumulation potential, plus extra features for less premium than Guaranteed Universal Life (GUL).

By learning how to bridge from more traditional GUL to Value+ Protector II IUL sales – often a better product solution to satisfy the growing diversity in permanent life insurance client requests – you could potentially grow your own business as well. Use the chart below for a succinct comparison of common product features, ideal clients and their typical needs. Consider how your clients would benefit most.

	SECURE LIFETIME GUL 3	VALUE+ PROTECTOR II
<b>Optimized for</b>	Lifetime Guaranteed Death Benefit	Low-Cost Death Benefit IUL
<b>Ideal client</b>	<ul style="list-style-type: none"> <li>• Ages 55+</li> <li>• Middle to mass affluent market</li> <li>• Desire for long-term death benefit protection</li> </ul>	<ul style="list-style-type: none"> <li>• Ages 40 – 70</li> <li>• Middle to affluent market</li> <li>• Desire to build cash accumulation along with death benefit protection</li> <li>• Some risk tolerance</li> </ul>
<b>Client needs</b>	<ul style="list-style-type: none"> <li>• Wealth Transfer</li> <li>• Peace of mind and security to loved ones</li> <li>• Guaranteed death benefit protection</li> </ul>	<ul style="list-style-type: none"> <li>• Wealth Transfer</li> <li>• Death benefit guarantees (to life expectancy or longer)</li> <li>• Flexibility with potential cash value accumulation</li> </ul>
<b>Product Features</b>	<ul style="list-style-type: none"> <li>• Guaranteed death benefit for desired duration (up to life of insured)</li> <li>• Guaranteed cash value that can be accessed in case of emergency without reducing the length of the guarantee period</li> <li>• Flexibility allows client to select the guarantee duration and the premium funding period</li> <li>• Customer-friendly processing for purposes of maintaining the death benefit guarantees</li> <li>• Optional Lifestyle Income Solution Rider— provides guaranteed death benefit acceleration</li> <li>• Optional Chronic Illness Rider</li> </ul>	<ul style="list-style-type: none"> <li>• Dial-able death benefit guarantee up to age 90</li> <li>• Account value enhancement beginning in policy year 6.</li> <li>• Flexibility allows client to select the guarantee duration, premium funding, premium frequency, and premium allocations</li> <li>• Sizeable variety of unique cash access features and riders</li> <li>• Optional Select Income Rider—Spread death benefit out in installment payments —lowers Cost of Insurance potentially reducing required premiums</li> <li>• Dollar Cost Averaging Rider</li> <li>• Optional Chronic Illness Rider</li> </ul>

# Why Index Universal Life?

When clients purchase an IUL policy, they have the power to choose what works for them. They can decide within policy guidelines:

- **Pick the death benefit.**  
Purchase an amount that fits the client's needs. Increasing over time? Level? Their choice.
- **Pick the premium amount.**  
As long as certain rules are followed, premiums can be flexible. Start low and increase later? Put more in now and slow down later? Their call.
- **Pick the premium frequency.**  
If clients prefer contributing annually, no problem. Twice per year works, too. Quarterly is just fine. Monthly? Also good! They pick!
- **Pick how the policy cash value grows.**  
There are five ways to earn interest on the policy, including one fixed interest and four index interest strategies. Does your client want 100% in one account? Or 25% into each of the index interest accounts? Any mix that you can help them imagine, we can, too!

**Clients can also withdraw cash value or borrow against the policy tax-free<sup>1</sup> for any reason later on, for example, but not limited to:**

- **Supplementing retirement income**
- **Starting a business**
- **Paying for college or a wedding**
- **Covering emergency or business expenses**
- **Purchasing a vacation home or taking a vacation**
- **Making home improvements**

It's really up to them—it can be comforting to have a policy that they know they can use to help meet some of life's challenges.

<sup>1</sup> Assumes the use of withdrawals to basis and/or policy loans. Policy must comply with IRS requirements to qualify as a life insurance contract. Total premiums in the policy cannot exceed funding limitations under IRC section 7702. Withdrawals during the first 15 years of the contract may be treated as income first and includible in policyholder's income. If the policy is classified as a modified endowment contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59 ½. Distributions will reduce policy values and may reduce benefits. Availability of policy loans and withdrawals depend on multiple factors including but not limited to policy terms and conditions, performance, and fees or expenses.

# Index Interest Crediting explained

## Understanding the “I” in IUL

An IUL policy can provide tax-free<sup>2</sup> income and a greater potential for growth than a traditional universal life policy while safeguarding against market downturns. That’s because IUL offers the potential to credit interest based, in part, on the upward movement of a stock market index.<sup>3</sup>

### What’s an index?

It’s a statistical composite that measures changes in the financial markets. Indices are hypothetical portfolios of securities designed to represent a certain market, or portion of the overall market. Most importantly, it’s their positive or negative performance that helps determine potential cash value growth in an IUL.

Although not directly invested in an index, the supplemental index interest crediting strategies offered in addition to the base IUL policy are designed to smooth bumps in the market while still offering upside-potential. Additionally, an IUL policy offers protection against the impact of market downturns, because no less than 0% interest can be credited to the various account options within the policy.

### We call it, “upside potential and downside protection.”

It is important to note that IUL is not an investment; it is a life insurance product that provides growth potential through index interest crediting. Clients do not invest directly into any index.

### How do IUL accounts share in the upside and protect against the downside?

Generally speaking, when the index goes up, the amount of interest credited to the policy can go up. If the index goes down, there’s simply nothing credited.<sup>4</sup>

<sup>2</sup> Withdrawals and policy loans may be structured to provide tax-free income. You should consult your personal tax advisor with questions related to your particular circumstances.

<sup>3</sup> All guarantees are backed by the claims-paying ability of American General Life Insurance Company.

<sup>4</sup> Due to administrative costs associated with the policy, reduction in cash value is a potential outcome in a down market year.





## Value+ Protector II offers a variety of rate strategies to help clients with their specific goals

Once a client begins paying premiums, those payments will be allocated to one of two general types of crediting strategies. No one can predict the future performance of the market, but a client’s risk tolerance can help you identify a possible index interest account allocation that could be appropriate for them.

### Participation Rate Strategy

**(Par Strategy)** This strategy predetermines how much of the positive performance from the index (amount of ‘participation’) will be credited to the index interest account in positive index performance years. Negative years receive no less than 0% interest.

### Cap Rate Strategy (Cap Strategy)

This strategy sets a specified maximum (‘capped’) percentage of interest credited to a policy, regardless of how well the index performs. The minimum credited rate will never be less than 0% interest.

We also offer a **Declared Interest Account** option based on the current interest rate environment that is credited at the end of each policy month (as opposed to the one year point-to-point strategy), but has no ties to index market performance. The minimum declared interest is guaranteed never to be less than 2.0 %.



### PAR STRATEGY

Better for clients who are more risk-tolerant. More fluctuation in interest credited is possible but there is more earning potential.



### CAP STRATEGY

Better suited for less risk tolerant clients. Volatility is curbed and more interest crediting is possible in lower markets.

## Value+ Protector II index interest accounts

There are four index strategy choices available, plus a “non-index” or fixed interest account option. All index interest crediting is based on 1-year point-to-point changes in the underlying index. Three of the index interest accounts have par strategies and one uses cap.

Run an illustration on WinFlex or visit [aig.com/LifeInterestRates](http://aig.com/LifeInterestRates) for current Value+ Protector II rates.

TYPE	STRATEGY NAME	INDEX UTILIZED
Par	Domestic Blend	ML Strategic Balanced Index
	Global Blend	PIMCO Global Optima Index
	Domestic Equity	S&P 500 Index
Cap	Domestic Equity	S&P 500 Index

ML Strategic Balanced Index and PIMCO Global Optima Index are proprietary indices for select annuity and life insurance products issued by AIG Member Company, American General Life Insurance Company.

### For ALL methods:

The index interest account will never be credited less than 0% interest, plus all accounts receive a crediting bonus guaranteed no less than 0.75% for MLSB, PIMCO indexed accounts and fixed interest accounts (0.10% for S&P 500 indexed accounts).

### ML Strategic Balanced Index® (MLSB)

MLSB is a volatility control, domestic index. It provides a systematic, rules-based process of blending equity and fixed income indices:

- Domestic Equity—S&P 500® Index (without dividends)
- Domestic Fixed Income—Merrill Lynch 10-year U.S. Treasury Futures Total Return Index

Plus, this index may use cash allocations to help manage volatility. It is designed to generate equal risk contribution to each asset class with the objective of achieving a 6% volatility target.

### PIMCO Global Optima Index® (PIMCO)

PIMCO is a volatility control, global index. It features a rules-based index with an equity focus for strong growth potential, global diversification for an enhanced opportunity set, and a design powered by PIMCO’s time-tested investment insights. The Index offers exposure to:

- Global Equity—U.S. large cap, U.S. mid cap, U.S. small cap, International and Emerging Markets
- Domestic Fixed Income—High-quality U.S. fixed income made up of treasuries, corporate bonds.
- Total return potential—Dividends are included in the performance calculation of the PIMCO Global Optima index.

Plus, this index adjusts the exposures across the Global Equity and Domestic Fixed Income components on a daily basis, based on market volatility, and with the goal of achieving a 7.5% volatility target.

### S&P 500® Index

This domestic index measures the performance of 500 widely held stocks in the U.S. equity market representing over 100 specific industry groups.

## Cash value comes out of the policy

Over time, clients will be able to leverage multiple options to access cash value they may have accumulated, through premium payments and any interest credited from upside market performance, or they can save some or all of the life insurance benefit for their beneficiaries.

### CONTRIBUTION

Premiums<sup>5</sup>

### ACCUMULATION

Index Strategies  
INTEREST CREDITED  
TAX-DEFERRED GROWTH

### DISTRIBUTION

#### BENEFICIARY DISBURSEMENT

PAYS FOR...  
Income Tax-free<sup>6</sup> Death Benefits and Rider Benefits<sup>7</sup>

#### POLICY OWNER DISBURSEMENT

CAN HELP...  
Supplement Retirement Income, Create an Emergency Fund, Start a Business<sup>8</sup>...

Take a look at this graphic which describes the three phases of IUL policy ownership: **Contribution, Accumulation and Distribution.**

<sup>5</sup> Less premium expense charges.

<sup>6</sup> Based on current federal income tax laws.

<sup>7</sup> Plus administrative and expense charges.

<sup>8</sup> Including applicable charges.





**Beneficiary disbursements**  
Flexible cash value for your client's family or business if they die too soon.

**Lump sum life insurance benefit**

Distribution of policy death benefit to the beneficiary upon the passing of an insured is generally income tax free.<sup>9</sup>

Clients can use this option to help ensure their family or business lives on with a lump-sum life insurance payment.

**Select Income Rider (Installment Payout Plan)<sup>10,11</sup>**

This option distributes the life insurance death benefit in installments rather than a lump sum, to help beneficiaries manage ongoing expenses. Selecting this rider may also lower a policy's cost of insurance charges, which may enable cash value to accumulate faster.

Clients can also opt for just a partial amount to be paid as a lump sum and the remainder in installments. The rider provides annual payout options over a specified period for the life insurance benefit amount chosen.

**Important to note:** this option is selected at issue and is irrevocable. It provides a guaranteed income stream for beneficiaries that will grow at a fixed interest rate. There is no charge for this rider. If elected, this rider cannot be terminated following the Date of Issue.

<sup>9</sup> Based on current federal income tax laws.

<sup>10</sup> Installment payments under this rider may be taxable.

<sup>11</sup> Rider features and availability may vary by state. Check rider for details.





## Policy owner disbursements

Flexible protection against the unexpected: Access cash value for any purpose. Access cash value if they get sick along the way.<sup>12</sup>

### Policy Loans and Withdrawals<sup>13,14</sup>

These features can be used any time to access cash value for any purpose. Select from one or a combination of three types of policy loans: Standard (Fixed), Preferred or Participating, that:

- Are potentially income tax free
- Offer fast access to cash value when needed
- Provide potential for positive interest earnings on loaned money
- Have no repayment plan required<sup>14</sup>

### Chronic Illness Rider

#### Accelerated Access Solution® (AAS)

This rider allows clients to access a portion of their death benefit if they suffer from a qualifying illness or condition.<sup>15,16</sup>

Choose from payments of 2%, 4% or an IRS per diem amount monthly. The tax-free income can be used to cover:<sup>17</sup>

- Medical expenses
- Long-term care
- Supplement lost income
- For any other purpose.

**Important to note:** AAS is elected at the time of policy purchase for an additional charge.<sup>18</sup>

### Excess Funding

By paying extra premium into the policy to achieve additional tax advantaged growth, this unique liquidity option can be used to withdraw excess premiums in policy year 20 with no decrease in initial life insurance benefit,<sup>19,20</sup> if there is available cash surrender value in the policy.

### Premium Protection Rider

Protect premium from surrender charges by fully-funding a policy early, for example, through a single-pay premium or the transfer of a policy from another company. With this rider, clients may withdraw funds above the target premium in years 2 to 5 with no surrender charge penalties. The funds are not locked in. This rider is elected at the time of policy purchase for an additional charge.

### Strong Index Performance

If values in the policy exceed target assumptions, this one-of-a-kind liquidity option allows withdrawal of the excess cash value<sup>21</sup>, either in policy year 20 or at age 85—with no decrease in the initial life insurance or length of guarantee.<sup>22</sup> The cash value can be used as desired, or to buy additional paid-up life insurance without further underwriting; which provides additional protection for beneficiaries at no extra cost.

<sup>12</sup> Rider features and availability may vary by state. Check rider for details.

<sup>13</sup> Policy loans and withdrawals may be taxable.

<sup>14</sup> Policy can lapse in the event that excessive loans are taken.

<sup>15</sup> Limitations apply. Please review the rider. Certain distributions may be taxable. You should consult your personal tax advisor to assess the impact of the benefits on your particular circumstances.

<sup>16</sup> Insured must be certified as chronically ill by a licensed physician and meet all eligibility requirements. This rider is not available in all states.

<sup>17</sup> Life insurance death benefits are generally tax-free for beneficiaries under IRC 101(a), but may under certain situations be taxable in part or whole.

<sup>18</sup> The rider must be selected at the time of policy purchase. Installment payments under this rider may be taxable.

<sup>19</sup> “Excess premiums” are premiums over the benchmark premium, which is a premium that will carry the policy to near maturity using current assumptions and 6% interest.

<sup>20</sup> Option election date is at the end of the 20th policy year for issue ages 0-64 or the later of age 85 or the end of the 5th policy year for issue ages 65-85.

<sup>21</sup> “Excess cash value” is any amount over the benchmark cash value, which is a cash value assuming the same premium and charges as the regular account value, but at 5.50% annual interest.

<sup>22</sup> Option election dates are at the end of the 20th policy year (for issue ages 0-64) and the later of age 85 or the end of the 5th policy year (for all issue ages).

## Policy Loans available by loan types.<sup>23</sup>

### Frequently asked loan questions

- A loan option is chosen at time of request, not policy issue
- Only one loan type is available at a time
- Client has the ability to switch from a Standard Loan to a Participating Loan, or vice versa
  - Maximum of 3 times during the life of the contract
  - Entire loan balance switches

#### Standard (fixed)

A loan in which interest is credited at a set amount and does not participate in any index interest earnings. The charge for taking this loan is also fixed and known in advance. Our standard loans are credited at a 2% fixed interest rate. Our charged interest rate is 3%; which creates a 1% net cost on the loan balance. This loan choice is typically elected if an insured needs to access more than 10% of their policy's accumulation value.

#### Preferred (fixed)

A type of fixed loan available only in policy years 11+. The borrowable amount is limited with this type of loan. No more than 10% of the accumulation value of the policy at the beginning of the year can be borrowed. The interest rate credited is 2% fixed on this loan type and the charged interest rate is also fixed at only 2%; which creates a 0% net cost on the loan balance (i.e., an insured incurs no extra cost to execute this type of loan)

#### Participating

Often the most popular of the 3 loan types, it is available in any policy year, as long as there is positive cash surrender value. The money lent stays in the index interest accounts and this "participation" can result in earned index interest. The interest rate charged is currently declared at 4.5% and is guaranteed no more than 8%.

<sup>23</sup> Policy loans and withdrawals may be taxable and may decrease the face amount or value of the policy.



## Non-Medical Underwriting

Fewer requirements mean faster submission

“Non-Medical Underwriting” or “Non-Med,” as referenced in this document, means that no in-person paramedical examination will be required for a life insurance applicant. For clients, the application process will be less intrusive: no physical exam, no APS, no lab tests, and no para-med.<sup>24</sup>

## Value+ Protector II key non-medical underwriting guidelines<sup>24</sup>:

- Ages 0-50
- Face Amounts \$50,000-\$1,000,000
- No lab tests, physical exam or APS required for eligible proposed insured
- Rate classes available<sup>24</sup>: Standard to Preferred Plus<sup>25</sup>
- If the amount of inforce coverage for the applicant is greater than \$1,000,000, any new application for coverage cannot be available for non-medical underwriting review and will be reviewed through full underwriting at the applied-for amount. If the amount of inforce coverage for the applicant is less than \$1,000,000, any new application for coverage may only be available for non-medical underwriting review up to a total inforce and applied-for amount of \$1,000,000.

If your client adds the Accelerated Access Solution to a non-medically underwritten Value+ Protector II policy with an increasing death benefit, the face amount can rise above the \$1,000,000 max, and their chronic illness benefits could potentially increase overtime!

VALUE+ PROTECTOR II		
FACE AMOUNTS	AGES	UNDERWRITING
\$50,000 - \$1,000,000	0-50 <sup>24</sup>	Non-Med
	51+	Traditional Medical
Greater than \$1,000,000	0-51+	Traditional Medical

**To speed your cycle time from submission to commission**, our electronic submission platforms, AG Quick Ticket® and iGO eApplication, can be used for any Value+ Protector II application. Traditional paper processing for non-medical applications will also be accepted.

Compensation and performance are identical to the fully underwritten product, with a simpler, faster path to coverage using streamlined underwriting.

- Offers the same pricing as “fully underwritten” product for the same classes
- Same state availability
- Chronic Illness Rider (Accelerated Access Solution) still available

<sup>24</sup> Post-issue reviews will be completed by our Underwriting team and any lack of material disclosure may result in policy rescission. For full details on the non-medical underwriting criteria see our Non-Medical Underwriting Guidelines (AGLC110667)

<sup>25</sup> Our underwriting team renders a decision based on the submitted applications, declarations of Part A and B, supplementary forms, and results of various database searches.



## Value+ Protector II PRODUCT HIGHLIGHTS

<b>Issue Ages</b>	<ul style="list-style-type: none"> <li>• 18-80 Preferred Plus and Special (Substandard) No Tobacco</li> <li>• 18-85 Preferred No Tobacco, Standard No Tobacco, Preferred Tobacco</li> <li>• 0-85 Standard Tobacco</li> <li>• 0-80 Special (Substandard) Tobacco</li> </ul>
<b>Underwriting Classifications</b>	<ul style="list-style-type: none"> <li>• Preferred Plus (exceptional mortality risk and non-user of tobacco)</li> <li>• Preferred No Tobacco (significantly better than average mortality risk and non-user of tobacco)</li> <li>• Standard No Tobacco (average mortality risk and non-user of tobacco)</li> <li>• Preferred Tobacco (better than average mortality risk and user of tobacco)</li> <li>• Standard Tobacco (average mortality risk and user of tobacco)</li> <li>• Substandard tables: 2-8, 10, 12, 14, and 16</li> </ul>
<b>Non-medical Underwriting*</b>	<ul style="list-style-type: none"> <li>• Ages 0-50</li> <li>• Face amounts: \$50,000 - \$1,000,000</li> <li>• No lab tests, physical exam or APS required for proposed eligible insured</li> <li>• Rate classes available: Standard to Preferred Plus</li> <li>• Our underwriting team renders a decision based on the submitted applications, declarations of Part A and B, supplementary forms, and results of various database searches.</li> <li>• If the amount of inforce coverage for the applicant is greater than \$1,000,000, any new application for coverage cannot be available for non-medical underwriting review and will be reviewed through full underwriting at the applied-for amount. If the amount of inforce coverage for the applicant is less than \$1,000,000, any new application for coverage may only be available for non-medical underwriting review up to a total inforce and applied-for amount of \$1,000,000.</li> </ul> <p>* Post-issue reviews will be completed by our Underwriting team and any lack of material disclosure may result in policy rescission. For full details on the non-medical underwriting criteria see our Non-Medical Underwriting Guidelines (AGLC110667)</p>
<b>Minimum Death Benefit</b>	<ul style="list-style-type: none"> <li>• \$50,000 for ages 50+ for Preferred underwriting classes; otherwise \$100,000 minimum death benefit</li> </ul>
<b>Death Benefit Options</b>	<ul style="list-style-type: none"> <li>• Option 1 (Level): Death benefit equal to specified amount, or accumulation value multiplied by death benefit corridor, minus partial withdrawals</li> <li>• Option 2 (Increasing): Death benefit equal to specified amount plus accumulation value, or accumulation value multiplied by the death benefit corridor, minus partial withdrawals</li> </ul>
<b>Lapse Protection Guarantee</b>	<ul style="list-style-type: none"> <li>• Provides a guaranteed death benefit via the automatically included continuation guarantee account</li> <li>• Designed to provide a competitive guarantee up to age 90</li> </ul>
<b>Policy Issue</b>	<ul style="list-style-type: none"> <li>• Issued daily from the 1st to the 28th of the month</li> <li>• On holidays, the ending index value of the next business day serves as the starting value for that index segment</li> </ul>
<b>Premiums</b>	<ul style="list-style-type: none"> <li>• Policy owner will define premium allocation percentage (among 4 index accounts and a declared interest account) at issue, and allocation instruction can be changed at any time for future premium payments</li> <li>• Net premiums allocated to an index account received between account allocation dates are deposited to an interim account and will receive declared interest until the next allocation date, at which time funds in interim account are transferred to a new index account. The interim account interest rate is guaranteed never to be less than 2.00%.</li> </ul>
<b>Changes to the Specified Amount</b>	<ul style="list-style-type: none"> <li>• Increases available at any time, subject to satisfactory evidence of insurability</li> <li>• After first policy year, policy owner may decrease specified amount; however, death benefit may not be less than minimum death benefit amount</li> </ul>
<b>Percentage of Premium Load</b>	<ul style="list-style-type: none"> <li>• Current charges vary by gender, issue age, UW class, and policy year. Current premium load is 6% up to target, and 12% above target</li> </ul>
<b>Monthly Deductions</b>	<ul style="list-style-type: none"> <li>• Current and guaranteed monthly administration fee is \$10</li> <li>• 5 year monthly expense charge per \$1,000, including increases</li> <li>• Current cost of insurance charges based on Net Amount at Risk as defined in the policy</li> <li>• Rider charges</li> </ul>
<b>Surrender Charges</b>	<ul style="list-style-type: none"> <li>• Surrender charge period for base coverage of the specified amount applies up to the first 19 years. If the base coverage is increased, a new surrender charge period will apply to the increase.</li> </ul>
<b>Withdrawals (Partial Withdrawals)</b>	<ul style="list-style-type: none"> <li>• Available any time during the insured's lifetime, after the first policy year</li> <li>• Death benefit cannot be reduced below \$50,000 as a result of the withdrawal</li> <li>• Partial withdrawals are taken first from interim account, then from declared interest account, then from index accounts</li> <li>• Current charge of \$25 (maximum contractual charge of \$50) for each withdrawal</li> </ul>

## Value+ Protector II PRODUCT HIGHLIGHTS, *continued*

### Value+ Protector II Interest Crediting Accounts

<b>Blend Participation Rate Account</b>	<ul style="list-style-type: none"> <li>• Volatility control index strategy with the ML Strategic Balanced Index® which blends the S&amp;P 500 and Merrill Lynch 10-year U.S. Treasury Futures Total Return Index and cash</li> <li>• A predefined percentage is used to calculate how much of the net increase (participation) in index value is credited to the policy in positive performance years.</li> <li>• A current credit bonus of 0.80% through an account value enhancement from policy year 6 and later (guaranteed to be no less than 0.75%)</li> <li>• A one-year duration to calculate interest crediting</li> <li>• No less than 0% index interest crediting helps protect from losses in down markets</li> </ul>
<b>Global Blend Participation Rate Account</b>	<ul style="list-style-type: none"> <li>• Volatility control index strategy with the PIMCO Global Optima Index® which blends International and emerging markets, U.S. large cap, U.S. mid cap, and U.S. small cap with U.S. Bonds made up of treasuries, corporate bonds and mortgage-backed securities</li> <li>• Adjusts exposure across the equity and fixed income components daily in order to achieve a 7.5% volatility target</li> <li>• A predefined percentage is used to calculate how much of the net increase (participation) in index credited to the policy in positive performance years.</li> <li>• A current credit bonus of 0.80% through an account value enhancement from policy year 6 and later (guaranteed to be no less than 0.75%)</li> <li>• A one-year duration to calculate interest crediting</li> <li>• A no less than 0% interest crediting strategy protects from losses in down markets</li> </ul>
<b>Participation Rate Account</b>	<ul style="list-style-type: none"> <li>• Index strategy is based on performance of the S&amp;P 500 index</li> <li>• Uses a participation rate interest crediting strategy whereby the index account performance is measured using a participation rate guaranteed at 0.10%.</li> <li>• A crediting bonus through an account value enhancement from policy year 6 and later</li> <li>• A one-year duration to calculate interest crediting</li> <li>• No less than 0% index interest crediting helps protect from losses in down markets</li> </ul>
<b>Cap Account</b>	<ul style="list-style-type: none"> <li>• A predefined percentage is used to calculate the maximum amount of increase (cap) in index value that is credited to the policy, regardless how well the index performs.</li> <li>• Index strategy is based on performance of the S&amp;P 500 index</li> <li>• A crediting bonus guaranteed at 0.10% through an account value enhancement from policy year 6 and later</li> <li>• A one-year duration to calculate interest crediting</li> <li>• No less than 0% index interest crediting protects from losses in down markets</li> </ul>
<b>Declared Interest Account</b>	<ul style="list-style-type: none"> <li>• Fixed interest rate declared by the company (2% guaranteed interest rate)</li> <li>• No participation in index performance</li> <li>• A crediting bonus guaranteed at 0.75% through an account value enhancement from policy year 6 and later</li> </ul>

### Value+ Protector II Policy Loans

<b>Policy Loans</b>	<ul style="list-style-type: none"> <li>• Policyholder has a choice between loan options that allows flexibility in loan rates charged on loans and interest rates credited on accumulation values impaired by policy loans</li> <li>• Options include (a) Standard loans with Preferred Loan features and (b) Participating loans</li> </ul>
<b>Standard and Preferred Loans</b>	<p><b>Standard Loans</b></p> <ul style="list-style-type: none"> <li>• The current effective annual loan rate is 3.00%. It is payable in advance at the rate of 2.91%</li> <li>• Annual effective rate of 2.00% will be credited to portion of accumulation value that equals amount of policy loans</li> </ul> <p><b>Preferred Loans</b></p> <ul style="list-style-type: none"> <li>• Available after 10 policy years</li> <li>• Maximum amount eligible is lesser of: 1) loan value or 2) 10% of accumulation value</li> <li>• Loan rate (not guaranteed) currently equals credited rate applied to policy loan. Guaranteed at no greater than 3.15% paid in advance.</li> </ul>
<b>Participating Loans</b>	<ul style="list-style-type: none"> <li>• Available whenever there is an amount of cash value accumulation in the policy</li> <li>• Participating loans will be available from inception</li> <li>• The current annual loan rate is 4.5%. Loan interest is payable in advance at the rate of 4.31%. Maximum rate is 8%.</li> <li>• Policy values in these accounts continue to have potential to earn index interest or declared crediting accounts</li> </ul>

## Value+ Protector II PRODUCT HIGHLIGHTS, *continued*

### Value+ Protector II Liquidity Benefit Options<sup>26</sup>

<b>Cash Value Access via Strong Index Performance Feature</b>	<ul style="list-style-type: none"> <li>Automatically included in policy at no extra cost</li> <li>Can be utilized either: (1) at the end of 20 years (for issue ages 0-64) or (2) the later of age 85 or the end of 5 policy years</li> <li>If policyholder's Actual Cash Surrender Value (ACSV) outperforms the Benchmark Cash Value (BCV) then policyholder may withdraw up to an amount equal to the difference. Clients can withdraw lesser of 10% of their initial death benefit or \$100,000<sup>27</sup></li> <li>Will not incur a partial surrender charge, partial withdrawal fee, reduction in specified amount (the death benefit would reduce if the DB option is 2 or if the policy is in corridor), or reduction in CG Account Value</li> <li>Alternatively, can also use the difference to purchase a paid-up life insurance policy, completely separate from the base policy. The contract will be single premium whole life.</li> </ul>
<b>Cash Value Access Excess Funding Feature</b>	<ul style="list-style-type: none"> <li>Automatically included in the policy at no charge</li> <li>Can be utilized if the sum of the premiums paid in the first 20 policy years (or the later of 5 years or to age 85 for issue ages above 65) exceeds the sum of benchmark premiums for the same period, and to the extent there is ACSV available for withdrawal<sup>26</sup></li> <li>The policyholder may withdraw an amount up to the difference. Clients can withdraw the lesser of 10% of their initial death benefit or \$100,000</li> <li>Will not incur a partial surrender charge, partial withdrawal fee, reduction in specified amount (the death benefit would reduce if the DB option is 2 or if the policy is in corridor) or reduction in CG Account Value</li> <li>Alternatively, can also use the difference to purchase a paid-up life insurance policy, completely separate from the base policy. The contract will be single premium whole life.</li> </ul>
<b>Accelerated Access Solution<sup>®</sup> (AAS) (Chronic Illness Rider)</b>	<ul style="list-style-type: none"> <li>Premium paying rider provides access to cash value for qualifying chronic illness                             <ul style="list-style-type: none"> <li>Three options available: 2% of the AAS benefit per month; 4% of the AAS benefit per month; IRS per diem maximum of the AAS benefit per month</li> </ul> </li> <li>Monthly benefit is capped at the maximum IRS daily rate at the time of claim. The 2021 maximum per diem is \$400/day or \$12,167/month. Subsequent years may be higher.</li> </ul>
<b>Protected Premium Rider</b>	<ul style="list-style-type: none"> <li>Any time during policy years 2 through 5 the policyholder may make a withdrawal for the lesser of the Accumulation Value or the excess of premiums paid over the sum of the annual target premiums at the beginning of the policy year, given no prior withdrawals have been made or a loan balance exists at the time of the withdrawal. There can be no other policy changes.</li> <li>Not a guaranteed return of premium option</li> <li>Affects the specified amount, accumulation value, and CG account value like a normal withdrawal</li> </ul>

### Value+ Protector II Additional Riders<sup>26</sup>

<b>Select Income Rider</b>	<ul style="list-style-type: none"> <li>Optional rider converts a portion or all of the life insurance benefit for beneficiaries to a predefined guaranteed set of annual payments<sup>28</sup></li> <li>Minimum percentage of life insurance benefit available to convert is 10% (up to 100%)</li> <li>May lower the policy's cost of insurance charges, which may enable cash value to accumulate faster</li> <li>Schedule of life insurance benefit payments will be determined at issue</li> <li>Benefit schedule will be based on the initial face amount of the policy at issue and is irrevocable for the beneficiary</li> <li>Life insurance benefit payments will increase annually at a rate set at issue</li> </ul>
<b>Dollar Cost Averaging Rider</b>	<ul style="list-style-type: none"> <li>Permits allocation of lump sum premium payments (both 1035s and non 1035s) to chosen Index Interest Accounts over a number of months. It is your choice to utilize this rider.</li> <li>No additional fee associated with this rider.</li> <li>Utilizing this rider will affect the amount of interest your policy earns. Depending on the performance of the indices, utilizing this rider may result in more or less interest.</li> <li>The DCA Rider creates an additional account ("DCA Account") that will remain on the policy for the life of the contract.</li> <li>Interest is credited daily. The amount of interest credited is determined by the Company, currently 3.25% but shall be no less than 2.00%.</li> <li>Premiums allocated to the DCA account will be transferred into the Index Interest Accounts according to the allocation percentage of your choosing.</li> <li>Transfers will be made in level installments over future Allocation Days; i.e. monthly, starting with the nearest Allocation Day</li> <li>Note that transfers from the DCA Account to the declared interest account are not permitted.</li> </ul>
<b>Accidental Death Benefit (ADB) Rider</b>	<ul style="list-style-type: none"> <li>Provides an additional death benefit if death resulted from certain accidental injuries</li> <li>Minimum: \$25,000; Maximum: The lesser of \$250,000 or the initial sum insured under the policy</li> </ul>
<b>Children's Insurance Benefit Rider (CIB)</b>	<ul style="list-style-type: none"> <li>Provides term insurance on the base insured's dependent children with coverage through attained age 24</li> <li>Minimum: 1 unit (\$1,000); Maximum: 25 units (\$25,000)</li> </ul>

<sup>26</sup> There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions. 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. Riders are not available in all states.

<sup>27</sup> Under current federal tax law, partial withdrawals are reportable to the policy owner and may be taxable. Limitations apply.

<sup>28</sup> The rider must be selected at the time of policy purchase. There is no additional fee for this rider. A portion of the installment payments under this rider may be taxable.



Value+ Protector II Additional Riders, *continued*

<b>Overloan Protection Rider</b>	<ul style="list-style-type: none"> <li>• Rider guarantees that base policy will not lapse due to an outstanding loan</li> <li>• Rider must be activated in writing once the loan balance exceeds 94% of cash value. A one-time charge will be deducted from the accumulation value, and future monthly deductions will be waived.</li> <li>• Rider benefit can be activated at or after the later of attained age 75 or 15th policy anniversary</li> </ul>
<b>Terminal Illness Accelerated Benefit Rider</b>	<ul style="list-style-type: none"> <li>• Provides accelerated death benefit (living benefit) when insured is diagnosed with terminal illness (24 months or less to live)</li> <li>• One-time accelerated benefit of up to 50% of the base policy death benefit (less policy loans and excluding riders)</li> <li>• Maximum: \$250,000</li> <li>• Subject to an administrative fee. Some states require a signed disclosure form at time of application</li> </ul>
<b>Waiver of Monthly Deduction Rider</b>	<ul style="list-style-type: none"> <li>• Waives the monthly deduction while the insured is disabled after we receive due proof of Total Disability and after six months of disability</li> <li>• Rider charges are based on the insured's attained age and increase annually</li> <li>• Rider not available for face amounts greater than \$5 million</li> </ul>

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**An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.**

**ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.**

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Federal Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.



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