



Adapt to changing circumstances with the ROP feature

Life happens and your needs change over time. A multiple policy solution with the ROP (return of premium) feature can be for consumers seeking flexibility in their life insurance planning.

The Enhanced Surrender Value Rider provides two opportunities to receive a return of premium:

- **Option 1:** Surrender the policy during the 60-day period following the end of policy year 20 and receive back 50% of premiums paid.¹
- **Option 2:** Surrender the policy during the 60-day period following the end of policy year 25 and receive back 100% of premiums paid.¹

SCENARIO

Glen and his wife, Susan, are both 40 years old.² Glen wants to provide financial protection for his wife Susan in case he were to die prematurely, but has some questions about the amount of coverage he should purchase.

Glen owns a successful small business that he plans to sell once he reaches retirement age. His objective is to use the proceeds from the sale of the business to support him and Susan during retirement. Glen recently met with his financial professional, Jordan, to discuss his current financial situation as well as his goals for the future. During this meeting, Jordan asked Glen what would happen to Susan, who depends on Glen for support, if he were to die unexpectedly. Glen didn't have an answer. Jordan suggested that Glen purchase life insurance to protect Susan.

Jordan suggests he purchase a guaranteed universal life insurance policy equal to the future projected income (\$1,000,000) that Susan would need after he passes away.

Secure Lifetime GUL 3

- Death benefit \$1,000,000
- Guaranteed to age 105
- Annual premium \$23,466 for 15 years
- Total premium paid \$351,986

Policies issued by American General Life Insurance Company (AGL), Houston, TX and The United States Life Insurance Company in the City of New York (US Life), members of American International Group, Inc. (AIG).

¹ Premiums paid received - subject to no partial withdrawals or outstanding loans on policy. The Enhanced Surrender Value is capped at 40% of specified face amount; for example, the benefit under a policy with a \$1,000,000 specified amount could never be greater than \$400,000. See the Rider for details.

² Not an actual case, and is a hypothetical representation for illustrative purposes only.

Glen agrees that he needs the insurance, but questions the amount. What if he does live and ends up selling his business at retirement? Could he decrease the amount of insurance to save money since he would no longer need protection from an unexpected death? Jordan explains that once he has sold his business and retired, he could certainly lower the death benefit to a lesser future need of \$500,000. But what about all the premiums he has paid to cover the current \$1 million until then? This could be expensive. Is there a more flexible solution?

ALTERNATIVE

A potential alternative would be to purchase two Secure Lifetime GUL 3 policies; each with a death benefit of \$500,000. This still provides the entire \$1,000,000 of coverage, but under two policies.

BENEFIT

The return of premium feature (Enhanced Surrender Value Rider) provides greater flexibility for Glen. By owning two policies, at the end of the 20th policy year he has the option to surrender either policy and receive back 50% of the premiums paid or if year 20 wasn't the right time, he could wait and use the 2nd option at the end of year 25 and receive back 100% of premiums paid! This action would assume he has sold his business and has enough money to support himself and Susan during retirement and leaving only the need for the \$500,000 for potential lost social security income, funeral expenses and financial support for Susan if Glen were to pass away first.

	POLICY #1 *	POLICY #2 *
	\$500,000 Death Benefit	\$500,000 Death Benefit
	Guaranteed to age 105	Guaranteed to age 105
	Annual premium \$12,225 for 15 years	Annual premium \$12,225 for 15 years
	Total premium \$183,368	Total premium \$183,368
	SURRENDER POLICY #1	SURRENDER POLICY #2
Option 1	End of year 20, receive \$91,684	End of year 20, receive \$91,684
Option 2	End of year 25, receive \$183,368	End of year 25, receive \$183,368

Interested in adding financial protection for your family? Talk to your Financial Professional.

NOT A DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE
NO BANK OR CREDIT UNION GUARANTEE | NOT FDIC/NCUA/NCUSIF INSURED

* Please see the basic illustration regarding guaranteed and nonguaranteed elements of the policy, including surrender values, accumulation values, loans, withdrawals, death benefits and other important information. Premium rates current as of 5/15/2021, rates may vary by state.

Premiums available for other rate classes, ages and payment plans. Premium charges depend on evidence of insurability

Policies issued by American General Life Insurance Company (AGL), Houston, TX except in New York, where issued by The United States Life Insurance Company in the City of New York (US Life). Policy Form Numbers ICC15-15442, 15442, 15442N Rev0518; Rider Form Numbers, ICC15-15600, 15600, 13600-5, ICC18-18012, 18012, ICC16-16420, 16420, 15972, ICC14-14002, 14002, ICC13-13601, 13601, ICC15-15990, 15990, 17600N, 18012N, 16420N, 15972N, 14002N, 13601N and 15990N. Issuing companies AGL and US Life are responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG). Guarantees are backed by the claims-paying ability of the issuing insurance. Products may not be available in all states and product features may vary by state. All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

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