



Is your client worried about protecting their assets from rising health care expenses?

92% OF OLDER ADULTS have at least one chronic condition, and 77% have at least two.³

EVERY **40** SECONDS an American has a stroke⁴ AND an American has a heart attack⁵—

50% of people who suffer a heart attack survive more than five years⁶

\$285K OUT-OF-POCKET equals the healthcare costs during retirement for an average 65-year old couple retiring in 2019⁷

60% OF AMERICANS are concerned about paying for health care in retirement⁸

By adding the Accelerated Access Solution (AAS) rider to a QoL Guarantee Plus GUL II policy, clients can access income tax-free death benefits if diagnosed with a chronic illness.^{1,2}

Scenario

As the sole breadwinner, Julia* is a 45-year-old single mother who wants to protect the financial stability of her family's financial future. Without knowing what will happen in the future, she would like to build in some protection in the event she should develop a chronic illness or pass away prematurely.

A Solution

Julia purchases a \$500,000 QoL Guarantee Plus GUL II policy. With the optionality built into the policy, she has the following choices:

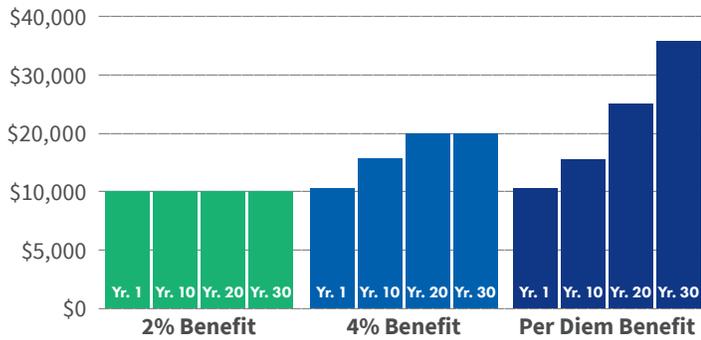
- Choose an Accelerated Access Solution total benefit amount anywhere between \$250,000 and \$500,000
- Three monthly benefit payment amount options as shown in the chart on page 2.

Julia chose the 100% total benefit option, giving her a \$500,000 **Accelerated Access Solution** benefit. She also chose the per diem benefit payment option at the time of purchase.

Fast forward

Thirty years later when Julia was 75 and in retirement, she has a stroke and activates the rider to access a portion of the death benefit each month². Because she chose the per diem option, the monthly benefit amount had increased to approximately \$37,487 (See Fig. 1) in the year she went on claim, and was payable for up to 13 months.

FIG. 1: MONTHLY BENEFIT OPTIONS
\$500,000 Death Benefit



Note: IRS caps the maximum daily rate each year. For 2020, the maximum per diem is \$380/day or \$11,558/month for a thirty-day month. In the chart above, hypothetical per diem increases based on IRS 2020 per diem in year 1, and increasing 4% each year thereafter. Whether or not the IRS per diem limit will change over time is not guaranteed. Hypothetical representation for illustrative purposes only.

Julia passes away 6 months after going on claim and therefore still had \$275,078 $\{ \$500,000 - (\$37,487 \times 6) \}$ in death benefits that were payable to her beneficiaries. The Accelerated Access Solution allowed her family to use the funds to pay for her medical care and protected family assets from being depleted as a result of the illness.

Benefits of Accelerated Access Solution*

- Multiple benefit payment options—three options available for monthly benefit payments:
 - IRS maximum per diem amount at time claim begins – providing an increased payout the older policy owner gets
 - 2% of the AAS benefit per month
 - 4% of the AAS benefit per month
- Waiver of monthly deduction—all policy deductions stop (including base policy + all riders) while receiving benefits
- Flexible options with total benefit amount—select any amount between 50% -100% of the base policy death benefit amount
- Care coordination services available—variety of optional and free support services available to the insured at time of claim
- No receipts required—benefits paid irrespective of actual costs incurred
- Dollar-for-dollar death benefits payout—know the benefit to be received at the time of rider purchase - no discount applied at time of claim⁹
- Not a “use or lose it” policy—benefits are paid no matter what... either when the chronic illness requirement is met or via death benefits
- Control over how money is spent—up to the policy holder how the funds are used, not restricted via the policy
- No waiting period—chronic illness benefits are available as soon as policy is issued (90 day elimination period applies)¹⁰

*This is not a restricted list

¹ Based on current federal income tax laws, policy owners should consult a qualified tax advisor.

² Insured must be certified as chronically ill by a licensed physician and meet all eligibility requirements.

³ National Council on Aging, Fact Sheet: Healthy Aging, 2017

⁴ Center of Disease Control and Prevention, Stroke Facts, 2017

⁵ American Heart & Stroke Association, Heart and Stroke Statistics 2017 At-a-Glance

⁶ The New York Times, Health Guides to Disease and Stroke, 2017

⁷ PLANSponsor, Estimates for Health Care Costs in Retirement Continue to Rise, 2019

⁸ GALLUP, Paying for Medical Crises, Retirement Lead Financial Fears, 2018

⁹ Subject to the \$3 million lifetime cap

¹⁰ Benefit payout subject to 90 day elimination period. See outline of coverage for details.



Important Consumer Disclosures Regarding Accelerated Benefit Riders

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, used if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

Policies issued by American General Life Insurance Company (AGL), Houston, TX. Policy Form Numbers ICC15-15442, 15442; Rider Form Numbers ICC15-15600, 15600, 13600-5, ICC18-18012, 18012, ICC16-16420, 16420, 15972, ICC14-14002, 14002, ICC15-15602, 15602, ICC15-15603, 15603, ICC15-15604, 15604, AGLA 04CHIR, AGLA 04CRIR, AGLA 04TIR, ICC15-15990, 15990. Issuing company AGL is responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG). Guarantees are backed by the claims-paying ability of the issuing insurance company. AGL does not solicit business in the state of New York. Products may not be available in all states and product features may vary by state. There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions. Riders are not available in all states. Please review the policy and outline of coverage for your state. © 2020 AIG. All rights reserved.