Looking for an IUL?

Compare costs as well as performance

AIG

Max Accumulator+ Generating Stable Income in Good or Bad Years

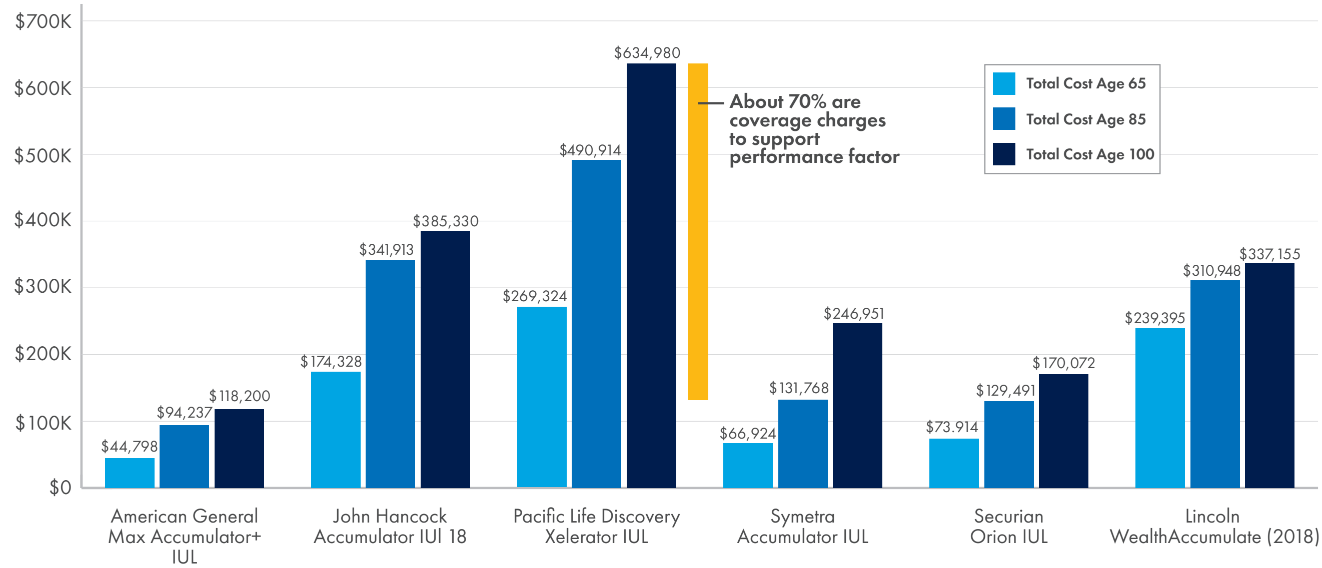
As the competitive landscape in the IUL market intensifies, carriers look to attract more clients by "enhancing" their IULs which has resulted in an emerging trend: carriers' use of "Other Charges" to justify their performance enhancements. Such charges could be face amount based charges or account value based charges, and enhancements appear in the form of distinctive product features such as multiplier account bonuses and/or buy-up cap accounts.

While these features may suggest better performance amidst the competition, such upgrades are not without inherent costs. They can have contradicting impacts on the performance of the products, like when the fees end up reducing the performance in later years as seen below.

COMPANY	PRODUCT	MAX ILLUS. RATE	OTHER CHARGE	BENEFITS OF THE CHARGE
American General	Max Accumulator+	7.44% MLSB Index Account	N/A	N/A
Pacific Life	Pacific Discovery Xelerator IUL	7.06% 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 (12.25%)
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% (varies by index accounts)
Lincoln Financial	Lincoln Wealth-Accumulate IUL (2018)	6.09% Perform Indexed Acct.	• 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	7.36% 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%) on High Cap Account • 30% Multiplier on two Performance Multiplier Index Accounts
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%)

If "Other Charges" are added to traditional IUL charges, cost structures could vary significantly across different IUL products

The following example illustrates the true scale of product costs and how they build up over time. Among these IULs, Max Accumulator+ is the only product without additional "buy-up" charges for index accounts or index bonuses and has the lowest total costs. This affordable payment structure creates a sustainable model that ensures a client's cash value will not be overwhelmed by cumulative charges in later years.

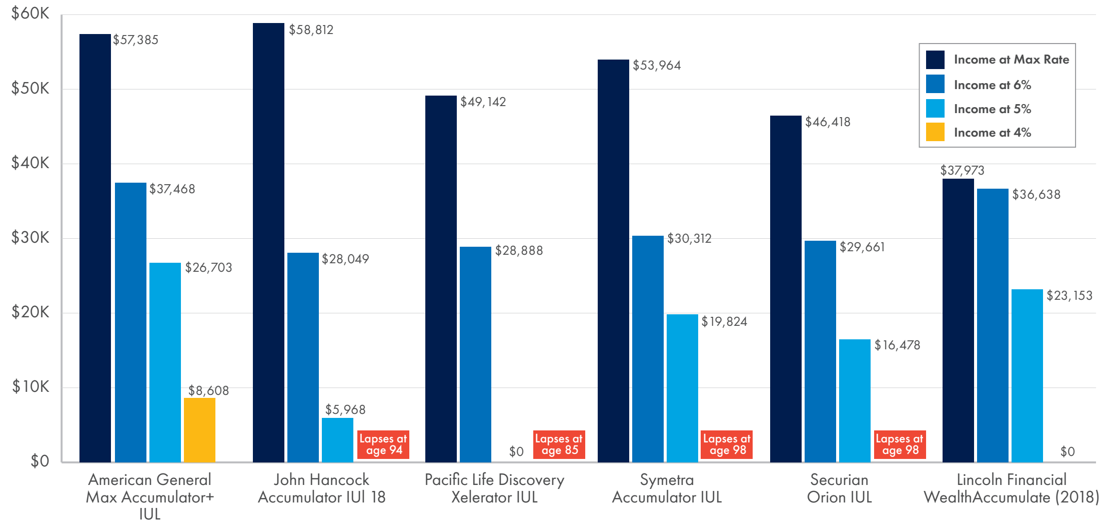


Male 40, PPNT, 7-pay of $20,000 annual premium, Minimum Death Benefit level at year 8, Income in year 26-45, fixed loans after withdrawal to basis, targeting $1,000 at age 121, using index account with the max illustrated rate.

Income Performance in Underperforming Market Conditions

How would the same IULs fare in the case of an economic downturn? The initial example below shows that even with excessive charges, products illustrate high levels of income at max rates; however, if those rates are systematically dropped by a percentage, their distributions become quite different.

- Beginning with 6%, the IULs immediately affected are those that had the highest costs, John Hancock Accumulator 18 and Pacific Life Discovery Xelerator
- By the second rate drop to 5%, the latter no longer produces income and all carriers (with the exception of American General) have less than $25,000 in distributions
- At 4%, Max Accumulator+ is the only product still able to generate income in a conservative rate environment
  - Most products also lapse before age 100, with Pacific Life at 85, John Hancock at 94, Symetra at 98, and Securian at 98



Male 40, PPNT, 7-pay of $20,000 annual premium, Minimum Death Benefit 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.

Remember to compare costs as well as performance

Because generating stable income in good or bad years matters

Important Information
Income data generated on 11/1/2018. 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 (7.36%, Policy Form #ICC16-20073), Symetra Accumulator IUL (7.71%, Policy Form #ICC17_ LC1), Pacific Life Pacific Discovery Xelerator (7.06%, Policy Form # ICC15 P15IUL), 40% Perm/60% Term, Lincoln WealthAccumulate IUL (2018) with Perform Index Account (6.09%, Policy Form # UL 6083 / ICC18UL6083).

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Important Note: The ML Strategic Balanced Index embeds an annual index cost in the calculations of the change in Index Value over the Index Term. This "embedded index cost" will reduce any change in Index Value over the Index Term that would otherwise have been used in the calculation of index interest, and it funds certain operational and licensing costs for the index. It is not a fee paid by you or received by the Company. The Company's licensing relationship with Merrill Lynch, Pierce, Fenner & Smith Incorporated for use of the ML Strategic Balanced Index and for use of certain service marks includes the Company's purchase of financial instruments for purposes of meeting its interest crediting obligations. Some portion of those instruments will, or may be, purchased from Merrill Lynch, Pierce, Fenner & Smith Incorporated or its Affiliates.

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