QoL Accelerated Access Solution®

Additional living benefit rider for chronic illnesses

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Rider Highlights

The Accelerated Access Solution (AAS) is a life insurance rider that accelerates a portion of a policy's death benefit when an insured meets the health impairment criteria.[1] Monthly payouts are made for as long as the criteria is met, or until the AAS benefit amount is exhausted, whichever occurs first.

The AAS is available on QoL Value+ Protector III, QoL Max Accumulator+ III and QoL Guarantee Plus GUL II policies. AAS is available as an individual addition or in combination with the Lifestyle Income Solution® rider on some products.

The AAS rider allows income-tax-free access to death benefits if certified as being chronically ill.[1,2]

Base Life Insurance Policy	QoL Value+ Protector III, QoL Max Accumulator+ III and QoL Guarantee Plus GUL II policies; AAS must be purchased at time of base policy.
Issue Ages	18-80
Ideal Client	Consumers who: • Know they need life insurance to protect themselves and their families • Have experienced a recent health care event with a family member or friend, and realize how expensive it can be • Understand they need an additional financial safety net in the event of an unexpected chronic illness • Are in good health but want options in the event their health deteriorates later in life Note: AAS is not available to Category 3 foreign nationals (Non-Resident Aliens living outside the U.S. or holding unaccepted visa types).
Consumer Benefits[3]	• **Multiple benefit payment options**—See payout options • **Unique benefit payment option**—IRS maximum per diem amount at time claim begins – providing a form of inflation protection for the policy owner's benefit[4] (Not available in California) • **Waiver of monthly deduction**—policy payments stop (including base policy + all riders) while eligible for benefits • **Flexible option 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 claim[5] • **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 • **Benefits increase if death benefits grow**—AAS lifetime benefit amounts are locked in at the time of initial claim. If policy death benefit increases as the cash value in the policy grows, AAS benefit can be potentially higher than the initial death benefit[5]
Rider Application	Accelerated Access Solution chronic illness rider application submitted for underwriting approval at time of the base policy application.
Minimum Accelerated Benefit	$50,000
Maximum Accelerated Benefit	Up to the death benefit amount not to exceed $3,000,000

Rider Activation **IMPORTANT NOTE: American General Life's (AGL) AAS chronic illness rider does not require that a condition be permanent in order to file a claim for benefits.** **See Coordination of Benefits section for details on how AAS and QoL Chronic Illness Rider work together.**	For a period of at least 90 consecutive days, one of the following health impairment criteria must be met: • Must be certified by a qualified practitioner that insured is unable to perform, without substantial assistance from another person, two of the Activities of Daily Living (bathing, continence, dressing, eating, toileting, transferring) • Requires substantial supervision from threats to health and safety due to a severe cognitive impairment (similar to Alzheimer's and similar forms of irreversible dementia) that is measured by clinical evidence and standardized tests measuring: – Short-term or long-term memory – Orientation as to people, places or time – And deductive or abstract reasoning • If an insured becomes initially eligible for benefits (i.e. satisfies definition of Chronically Ill, and satisfies 90-day elimination period, etc) and then subsequently recovers, a new elimination period will apply if the number of days that has passed since the end of the last benefit period and the date of the new certification for Chronic Illness is greater or equal to 30 days.
Rider Cost	Varies by accelerated benefit amount option, issue age, gender and underwriting class: the monthly charge will not exceed the Maximum Monthly Charge shown on the policy schedule.
Payout Options	Multiple benefit payment options - • Lump-sum payments (paid annually, and reflects the present value of monthly payments for the upcoming year) • IRS maximum per diem* amount at the time claim begins (paid monthly) *Not available in California • 4% of the AAS benefit per month (paid monthly), capped at maximum IRS per diem amount, except CA where capped at the maximum monthly benefit amount. • 2% of the AAS benefit per month (paid monthly), capped at maximum IRS per diem amount, except CA where capped at the maximum monthly benefit amount.
Max Monthly Payout	Percentage of specified benefit amount at the time all eligibility for benefits are first satisfied[6]
Coordination of Benefits	• In the event of a qualifying Chronic Illness, the AAS benefit rider pays out prior to QoL Chronic Illness Accelerated Benefit Rider (ABR). • Additional qualifying events will be covered under the QoL Chronic Illness ABR. • Flexible option with total benefit amount: select any amount between 50% - 100% of base policy death benefit. • May accelerate Chronic Illness benefits from both the AAS and QoL Chronic Illness Rider depending on the elected AAS benefit amount. • 100% of the death benefit up to a maximum of $3,000,000 is available when accessing both the AAS and QoL ABRs.
Elimination Period	Insured must be chronically ill for 90 consecutive days prior to qualifying for benefits. See outline of coverage for details.
Re-Certification	Annual recertification is required
Waiver of Monthly Deductions	Monthly deductions are waived for as long as the insured meets the chronic illness requirement
Benefit Type	Indemnity plan – benefits paid irrespective of actual costs incurred, no receipts required
Policy Changes	Limitations on policy changes after rider begins to pay benefits
IRS Designation	Accelerated Access Solution provides favorable tax treatment under section 101(g) of the Internal Revenue Code

Important Consumer Disclosures Regarding Accelerated Benefit Riders

Disclosures Solely Applicable to Quality of Life... Insurance® Riders:

- **Critical Illness Accelerated Death Benefit rider**
- **Chronic Illness Accelerated Death Benefit rider**
- **Terminal Illness Accelerated Death Benefit rider**

(1) When filing a claim for Qualifying Critical Illness under a Critical Illness Accelerated Death Benefit Rider, for Qualifying Chronic Illness under a Chronic Illness Accelerated Death Benefit Rider or for Qualifying Terminal Illness under a Terminal Illness Accelerated Death Benefit Rider, the claimant must provide to the Company a completed claim form and then-current Certification which must be received at its Administrative Center.

(2) If a benefit under the Critical Illness Accelerated Death Benefit Rider is payable, the Company will provide the Owner with one (1) opportunity to elect a Critical Illness Accelerated Benefit Amount as to the occurrence of the Qualifying Critical Illness in question. To make such an election, the Owner must complete an election form and return it to AGL within the Election Period set forth in the rider (i.e., within 60 days of the owner's receipt of the election form).

The Company will not provide a later opportunity to elect a Critical Illness Accelerated Benefit Amount under a Policy as to the same occurrence of a Qualifying Critical Illness.

(3) If a benefit under the Chronic Illness Accelerated Death Benefit Rider or under the Terminal Illness Accelerated Death Benefit Rider is payable, the Company will provide the Owner with an opportunity to elect a Chronic Illness Accelerated Benefit Amount as to the Qualifying Chronic Illness in question or to elect a Terminal Illness Accelerated Death Benefit Amount as to the Qualifying Terminal Illness in question, as applicable. To make an election, the Owner must complete an election form and return it to AGL within 60 days of the Owner's receipt of the election form.

(4) **Under certain circumstances where an insured's mortality (i.e., our expectation of the insured's life expectancy) is not significantly changed by a Qualifying Critical Illness or a Qualifying Chronic Illness and, notwithstanding the Minimum Accelerated Benefit Amount provision, the accelerated benefit may be zero.**

(5) Any actual benefit amount will be determined at the time of claim and will be subject to underwriting requirements, an actuarial discount, and all limitations and other terms of the applicable rider. See your policy for applicable requirements concerning claim and election forms for accelerated death benefits.

(6) Benefits payable are intended to receive favorable tax treatment under IRC Section 101(g); however, under certain circumstances, the benefits payable may be taxable. Neither American General Life Insurance Company nor any agent representing it is authorized to give legal or tax advice. Please consult a qualified legal or tax advisor regarding questions concerning the information and concepts contained in this material.

(7) Generally, we will send you an IRS Form 1099-LTC if you receive an accelerated death benefit on account of a Chronic Illness or a Terminal Illness. We will send you an IRS Form 1099-R if you receive an accelerated death benefit on account of a Critical Illness. The sum that will be included in Box 2 (Accelerated death benefits paid) of IRS Form 1099-LTC or in Box 1 (Gross distribution) of IRS Form 1099-R will be the actual sum you received by check or otherwise minus any refund of premium and/or loan interest included with our benefit payment plus any unpaid but due policy premium, if applicable, and/or pro rata amount of any loan balance.

(8) The maximum amount of life insurance death benefits that may be accelerated as to an Insured Person under all accelerated benefit riders is the lesser of the existing amount of such death benefits or a lifetime maximum of $2,000,000.

(9) See your policy for details.

Disclosures Applicable to All Chronic Illness Accelerated Death Benefit riders

NOT Long-Term Care Insurance

This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide long-term care insurance subject to California long-term care insurance law. This policy or certificate is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement policy.

The Accelerated Access Solution (AAS) is an optional living benefit rider that is available on the insurance policy 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). The Accelerated Access Solution is a life insurance rider that accelerates a portion of a policy's death benefit upon the insured's not being able to perform two or more of the activities of daily living or being cognitively impaired. The activities of daily living are bathing, continence, dressing, eating, toileting, and transferring.[7] Unlike Long-Term Care benefits, control over how money is spent is up to the policy holder: There are no receipts required and no restrictions on what the money is used for once the policy owner has been certified as eligible to receive AAS benefits. Benefits are paid directly to the policyholder for as long as the criteria are met, or until the AAS benefit amount is exhausted, whichever occurs first.

Acceleration of death benefits and payments under such an accelerated death benefit will reduce the death benefit of the policy and reduce other policy values as well, potentially to zero. If the entirety of the insurance amount is accelerated, the policy terminates.

A Long Term Care insurance (LTCI) policy is any insurance policy, certificate, or rider providing coverage for diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services that are provided in a setting other than an acute care unit of a hospital. Generally, accelerated chronic illness death benefit riders and LTCI is conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired. The activities of daily living are bathing, continence, dressing, eating, toileting, and transferring.[7] LTCI includes disability based long-term care policies but does not include insurance designed primarily to provide Medicare supplement or major medical expense coverage.

If you are interested in long-term care, nursing home or home care insurance, you should consult with an insurance agent licensed to sell that insurance, inquire with the insurance company offering the accelerated death benefits.

Receipt of accelerated death benefits may affect eligibility for public assistance programs, such as Medi-Cal (in California) or Medicaid (all other states). Prior to electing to receive the accelerated death benefit, you should consult with the appropriate social services agency concerning how receipt of accelerated death benefits may affect that eligibility.

If the policy terminates, the Chronic Illness Accelerated Death Benefit Rider will also terminate.

ADB benefits will reduce the death benefit that the policyholder's heirs will receive, and the use of the ADB proceeds is unrestricted, whereas LTC benefits will not reduce the death benefit that the policyholder's heirs will receive, and the policyholder must use LTC benefits for LTC services.

Payout Options

All states except California. Three monthly benefit options are available. Monthly benefit under any option is capped at the maximum IRS per diem amount at the time claim begins.

- 2% of the AAS benefit
- 4% of the AAS benefit
- IRS maximum per diem

California ONLY. Two monthly options are available. Monthly benefit under any option is capped at the maximum monthly benefit amount under the policy at the time claim begins.

- 2% of the AAS benefit
- 4% of the AAS benefit

Alternatively, in all states, you have the option at the time of claim to receive the accelerated benefit in a lump sum payment in lieu of the benefits payable under the monthly payment option you selected. Such lump sum benefit will be subject to a present value discount that is determined by the company at the time you become eligible for benefits under the rider.

Benefit Payment

Once the insured meets the health impairment criteria and benefits have been approved for payment, they may select their disbursement. There is a maximum benefit payable under the monthly disbursement option that we'll notify the insured of at their time of claim. The insured may also select a smaller amount than the maximum monthly benefit. A lump sum option is available as well, which can be substituted for monthly benefits.

Tax Implications

There are no restrictions or limitations on the use of the accelerated death benefit proceeds under a Chronic Illness Accelerated Death Benefit Rider. The accelerated benefits payable under such a rider are generally intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code.[7] There may be tax consequences in some situations in accepting an accelerated benefit payment amount, such as where payments exceed the per diem limitation under the Internal Revenue Code. You should consult your personal tax advisor to assess the impact of this Benefit prior to accepting the Benefit.

Please note: The life insurance offered with Accelerated Benefit Riders is not stand-alone long term care insurance, disability income insurance, or other insurance designed to cover specific costs associated with an illness or condition. Receiving benefits under any one of the Accelerated Benefit Riders will reduce the amounts available for future acceleration under it and any of the others. It will also reduce the base life insurance benefit and the funds available to supplement retirement or other needs and may result in policy termination. The amount received after acceleration may be less than what is needed to cover all of the cost associated with an illness or condition.

[1] Insured must be certified as chronically ill by a Licensed Health Care Practitioner and meet all eligibility requirements and the condition need not be permanent.
[2] Based on current federal income tax laws.
[3] Rider may not be available in all states and features may vary by state.
[4] Monthly benefit under any option is capped at the maximum IRS per diem amount at the time claim begins. Subsequent years may be higher.
[5] Subject to the $3 million lifetime cap.
[6] The maximum will be reduced by any outstanding liens against the policy resulting from any other accelerated death benefit endorsement or rider attached to the policy.
[7] Insured must be certified as chronically ill by a Licensed Health Care Practitioner and meet all eligibility requirements and the condition need not be permanent.

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