Chronic Illness Protection Rider

Access your death benefits ***while living.***

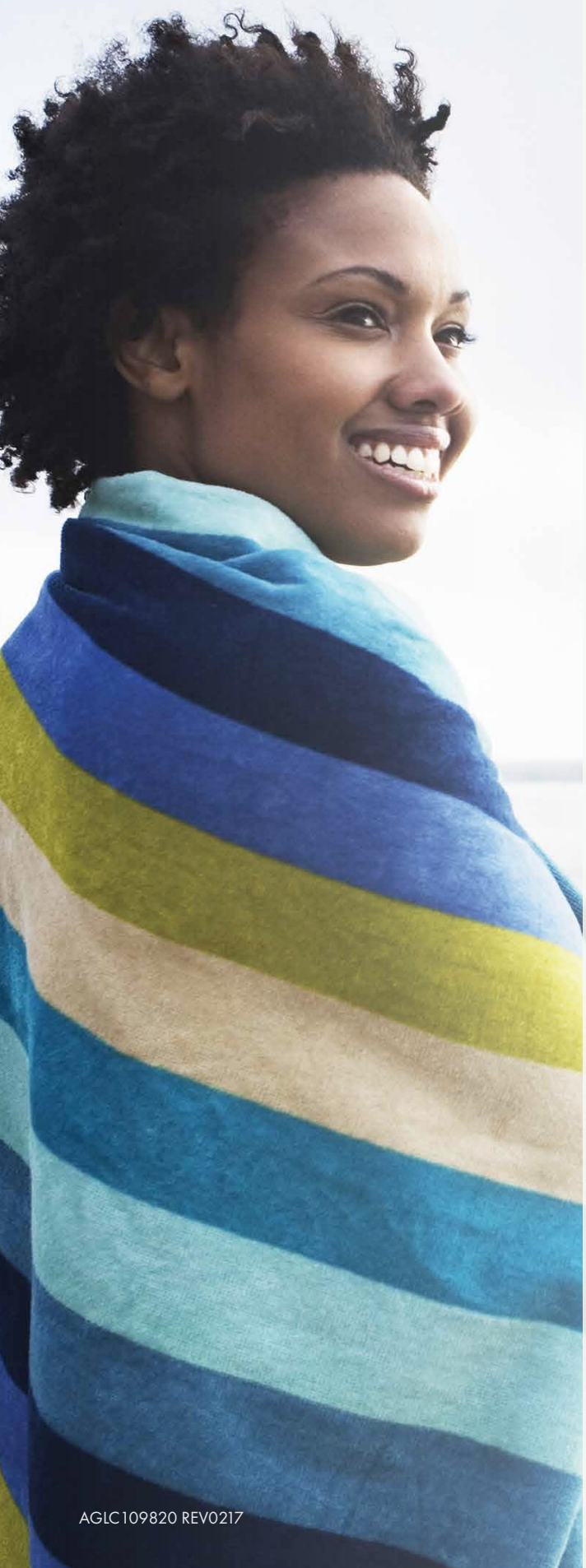
Accelerated Access Solution®

Optional Living Benefit Rider for
Secure Lifetime GUL 3; Value+ Protector ; Max Accumulator+

AIG

Policies issued by American General Life Insurance Company,
AIG member company.

For this brochure to be complete for California residents,
they must be provided the "California Resident Supplemental
Information" flyer on the Accelerated Access Solution (AGLC108547)



Chronic Illness Protection Rider

Think life insurance only pays out to your loved ones when you die? Not anymore.

Access your own life insurance benefits ***while living***.

By adding the **Accelerated Access Solution (AAS)** chronic illness rider to a select life insurance policy, you can access your income tax-free life insurance benefits, if diagnosed with a chronic illness.[1]

Should an eligible chronic illness occur, you can be paid monthly benefits until that illness improves or your AAS benefit is exhausted—whichever happens first. See full rider for details [1]

It's a good option for consumers who understand the value and security of combining death benefit and chronic illness protection into one.

AAS Provides Freedom of choice

Unlike many long-term care reimbursement policies, it can be used to pay for virtually any expense – even those unrelated to the illness:

- **Adult daycare**
- **Assisted living or nursing home**
- **Massage therapy**
- **Prescription drugs**
- **Home maintenance** (lawn, handyman, etc.)
- **Home improvements** (new furniture, upgraded shower, ramp installation, etc.)
- **Gas** for transportation to and from treatments
- **Cash** in the pocket of a friend or loved one taking time off work to assist in your care

How it works

Using your benefit

- **Multiple benefit payment options** – three options available for monthly disbursement:
  - 2% of the AAS benefit per month
  - 4% of the AAS benefit per month
  - IRS maximum per diem amount at time claim begins (the 2017 rate is $360/day, which equates to $10,950/month for a thirty-day month)
- **Waiver of monthly deduction** – if you file an approved chronic illness claim to access your money via your AAS rider, then you will not be responsible for paying policy deductions while you continue to access those benefits
- **Flexible options with total benefit amount** – select any amount between 50%-100% of the base policy life insurance benefit amount[5]
- **Care coordination services available** – variety of optional and free support services available to you at time of claim
- **Control how your own claim money is spent** – money goes directly into your pocket, not the health provider or care facility
- **You get what you pay for** – your potential total AAS benefit matches the amount you select at time of purchase exactly, no need to guess what your total payout might be after fees and deductions.
- **Not a typical "use it or lose it" long-term care policy** – benefits are paid no matter what... either to the insured if they become chronically ill, or to your beneficiaries at the time of your death.[6]
- **No receipts required** – you don't need to show or tell us how you spend your money
- **No waiting period** – chronic illness benefits are available for activation as soon as the policy is issued, subject to eligibility

Becoming eligible

To activate the rider, an insured person must be certified by a licensed health care practitioner to be considered a "chronically ill person."[7] One of the following health impairment criteria must be met for a period of at least 90 consecutive days:

1. The insured is unable to perform, without substantial assistance from another person, at least two of the Activities of Daily Living (ADLs):
   - Bathing
   - Continence
   - Dressing
   - Eating
   - Toileting
   - Transferring
2. The insured requires substantial supervision from threats to health and safety due to a severe cognitive impairment (similar to Alzheimer's and other 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

Once all criteria are met, monthly benefits may begin.[8]

Getting paid

Once the insured meets the health impairment criteria and benefits have been approved for payment, the following will occur in order:

1. Payment of Accelerated Access Solution benefits, which are designed to be received income-tax-free[8] will begin.
2. Monthly deductions will be waived for as long as the policy owner meets the chronic illness requirements.
3. The life insurance benefit will be reduced by each Accelerated Access Solution benefit amount paid to the policy owner.
4. At death, any remaining life insurance benefit will be paid to your policy beneficiary income-tax-free.[9]

Remember: AAS must be added to the life insurance policy at the time of purchase in order to be valid.[10] The monthly cost of the rider will vary based on the AAS benefit amount selected, issue age, gender and underwriting class.

Chronic conditions do not need to be considered "life-long" or permanent in order to be *eligible*.[7]

Before you buy

Pick your payout

With AAS you have three choices for monthly benefit payouts, but you must select which option you prefer at the time of purchase:

- 2% of your AAS benefit
- 4% of your AAS benefit
- or the IRS per diem amount at the time of claim

For all three chronic illness benefit scenarios, any life insurance benefit amounts unused/unpaid to you after your chronic illness claim will be available to be paid to your beneficiary at the time of your death.[11]

Our most unique feature in the AAS is the IRS per diem payout option. It allows you to purchase just the amount of coverage needed – no more and no less. AAS is the only product currently in the market providing the maximum monthly benefit allowable by law (the per diem) in an indemnity policy with tax-free benefits.

Hypothetical AAS Benefits for a $250,000 policy

A $250,000 Secure Lifetime GUL 3 policy is purchased with a (100%) $250,000 Accelerated Access Solution benefit. The premiums paid were structured to guarantee death benefits until reaching age 100 *(Fig. 1)*.

(Fig. 1) Example

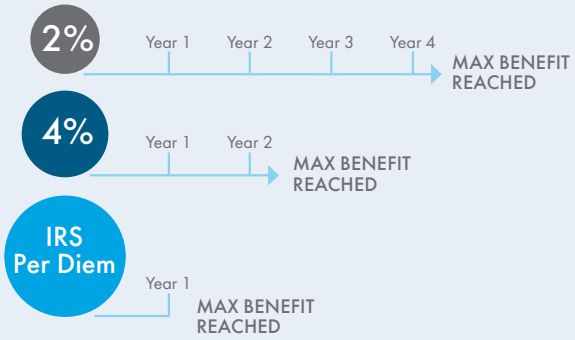
Payout Option	Rate* Type	Monthly Payout Maximum	Full $250,000 Benefit Realized
2%	Fixed	$5,000	4 years, 2 months
4%	Fixed	$10,000	2 years, 1 month
IRS Per Diem	Variable	$20,833.33	1 year

* All payouts subject to the IRS Per Diem cap on the date of activation.

Faster access

The IRS per diem option potentially gives you the fastest access to more of your money – paying out your total benefit (if needed) in the shortest period of time. *(Fig. 2)*

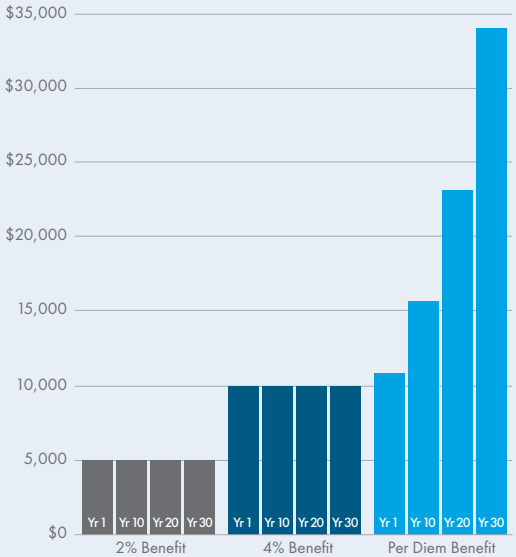
(Fig. 2) Speed of Total Payout



Higher payouts

It is also the only option that could potentially increase the monthly amount paid to you the longer you wait to activate it. *(Fig. 3)*

(Fig. 3) Activation at Years 1, 10, 20, 30



NOTE: IRS caps the maximum daily rate each year. For 2017, the maximum per diem is $360/day or $10,950/month for a thirty-day month. In Figure 3 (above), hypothetical per diem increases based on IRS 2017 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.

Put your life insurance to work

What are the odds...
of actually having a chronic illness?

91% About 91% of older adults have at least one chronic condition, and 73% have at least two.[2]

Don't most people have...
health insurance or Medicare to pay for something like this by the time it happens?

NOT COVERED

Individuals may need long-term support and services at ANY age, and Medicare and most health insurance plans will NOT pay for them.[3]

If you became chronically ill...
which kind of treatment would you want: the cheapest available or the highest quality possible—will you have the financial freedom to make the choice?

$220K OUT-OF-POCKET

The average 65-year old couple retiring in 2014 can expect $220,000 in out-of-pocket medical expenses through the duration of their retirement.[4]

Ask yourself...

- ☐ Do I need life insurance to protect myself and my family?
- ☐ Would I prefer those life insurance benefits available in life *or* death, instead of the additional cost of a "use it or lose it" long-term care policy?
- ☐ After seeing a friend or family member suffer a health care event, am I prepared for how expensive it can be?
- ☐ Am I in generally good health, but want possibilities for future care as I age and my health deteriorates?
- ☐ What's better than money in my pocket when I get sick if I need it? What about *tax-free* money?

Life insurance you don't have to die to use

Protect your loved ones, and your own right to choose. Add the optional **Accelerated Access Solution** to your Secure Lifetime GUL 3, Value+ Protector or Max Accumulator+ life insurance policy and get income tax free[12] access to your death benefits while living, if diagnosed with a chronic illness; remaining life insurance policy benefits pay on, as planned, after you die.[13]

Two forms of protection in one powerful policy.

[1] If the annual amount received by the policy owner for chronic illness benefits from all applicable sources exceeds the actual cost of care in a year or exceeds the IRS per diem exclusion limit aggregated for the portion of the year during which the Insured Person was certified as being chronically ill, some of the benefits may be taxable. Policy owners should consult their own tax advisors regarding how receipt of the benefit will apply to their own tax situation.
[2] National Council on Aging: www.ncoa.org/improve-health/center-forhealthyaging/chronic-disease, 2014
[3] Source: Medicare & You 2015, U.S. Department of Health and Human Services
[4] Source: Fidelity Benefits Consulting study, 2014
[5] Insured must be certified as chronically ill by a licensed health care practitioner and meet all eligibility requirements.
[6] Assumes all remaining premiums are paid on time and in full.
[7] CT has specific chronic illness eligibility requirements. All Accelerated Access Solution materials provided to consumers in the state of CT must be accompanied by this supplemental document AGLC110273
[8] Insured must be certified as chronically ill by a licensed health care practitioner and meet all eligibility requirements.
[9] Based on current federal income tax laws, policy owners should consult a qualified tax advisor.
[10] The free Terminal Illness Rider must be added to the policy in addition to the Accelerated Access Solution rider.
[11] Assumes all remaining premiums are paid on time and in full.
[12] Based on current federal income tax laws, policy owners should consult a qualified tax advisor. Subject to IRS per diem limits
[13] Assumes all remaining premiums are paid on time and in full.

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Life Insurance You Don't Have to Die to Use
Learn more at RetireStronger.com

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