

Summary and Disclosure Notice for Critical Illness Accelerated Death Benefit Rider, Chronic Illness Accelerated Death Benefit Rider, and Terminal Illness Accelerated Death Benefit Rider

American General Life Insurance Company, 2727-A Allen Parkway, Houston, TX 77019

Receipt of a benefit under an accelerated death benefit rider will reduce any death benefit that may become payable under the policy to which the rider is attached.

PURPOSE OF THIS SUMMARY AND DISCLOSURE

This Summary provides a brief description of the basic features of the accelerated death benefit riders described below. This is not an insurance contract, but only a summary of the coverage provided by each rider. If a policy is issued, it is important to check the policy for details on any accelerated death benefit rider that is included in the policy. It is also important to carefully read any accelerated death benefit rider included in the policy.

TAX CONSEQUENCES

Benefits paid under the Critical Illness Accelerated Death Benefit Rider may cause the Owner to incur a tax obligation. Benefits paid under the Chronic Illness Accelerated Death Benefit Rider or the Terminal Illness Accelerated Death Benefit Rider are intended to qualify for favorable tax treatment but **MAY BE TAXABLE IN SOME CIRCUMSTANCES**. Neither the Company nor its agents are authorized to offer you tax advice. You should consult your accountant, attorney or other qualified tax professional to assess the impact of a benefit. We recommend that you contact a tax advisor when making tax-related decisions about electing to receive and use benefits from an accelerated death benefit rider.

ACCELERATED DEATH BENEFIT RIDER DESCRIPTIONS

Critical Illness Accelerated Death Benefit Rider

The Critical Illness Accelerated Death Benefit Rider provides that the Owner may elect an accelerated death benefit if the Insured Person is diagnosed as having a Qualifying Critical Illness, subject to the provisions of the rider. Qualifying Critical Illness means the occurrence of any of the following illnesses or conditions as to an Insured Person – Major Heart Attack, Stroke, Coronary Artery Bypass, Invasive Cancer, End Stage Renal Failure, Major Organ Transplant, Paralysis, Coma and Severe Burn:

1. Which a physician has diagnosed within 365 days of the date of our receipt of certification at our claim office pursuant to a claim under the rider; and
2. Which a physician has diagnosed after such Insured Person's coverage under the rider has been in force for 30 consecutive days, or 90 consecutive days for Invasive Cancer; and
3. Which is not an occurrence of the same illness or condition for which an accelerated benefit was previously paid under the rider as to the Insured Person.

Chronic Illness Accelerated Death Benefit Rider

The Chronic Illness Accelerated Death Benefit Rider provides that the Owner may elect an accelerated death benefit if the Insured Person is certified as having a Qualifying Chronic Illness, subject to the provisions of the rider. Qualifying Chronic Illness means an illness or condition that:

- (1) A licensed health care practitioner has certified within the past 12 months as affecting the Insured Person so that he or she:
 - (a) Is unable to perform, without substantial assistance from another person, at least two Activities of Daily Living for a period of at least 90 consecutive days due to a loss of functional capacity; or
 - (b) Requires substantial supervision to protect such Insured Person from threats to health and safety due to Severe Cognitive Impairment; and
- (2) A licensed health care practitioner has certified within the past 12 months as affecting the Insured Person so that he or she is under a plan of care prescribed by a licensed health care practitioner for necessary diagnostic, preventative, therapeutic, curing, treating, mitigating and rehabilitative services and for maintenance or personal care services required by a person with such illness or condition; and
- (3) A licensed health care practitioner has certified after such Insured Person's coverage under the rider has been in force for 30 consecutive days.



No Chronic Illness Accelerated Death Benefit will be payable for an illness or condition caused by alcoholism, drug addiction, or a mental or nervous disorder (except for disorders comparable to Alzheimer's disease and similar forms of irreversible dementia).

The term "Elimination Period" means a period of 90 consecutive days beginning at any time after the Insured Person's coverage under the rider has been in force for 30 consecutive days, during which Elimination Period the Insured Person must continuously have a Qualifying Chronic Illness prior to eligibility for benefits under this rider. No Accelerated Benefit is payable during the Elimination Period.

The Activities of Daily Living are Bathing, Continence, Dressing, Eating, Toileting and Transferring.

Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia and is measured by clinical evidence and standardized tests that reliably measure impairment in the person's:

- (1) Short-term or long-term memory; and
- (2) Orientation as to people, places or time; and
- (3) Deductive or abstract reasoning.

Terminal Illness Accelerated Death Benefit Rider

The Terminal Illness Accelerated Death Benefit Rider provides that the Owner may elect an accelerated death benefit if the Insured Person is certified as having a Qualifying Terminal Illness, subject to the provisions of the rider. Qualifying Terminal Illness means an illness or condition which a physician has diagnosed and reasonably expects to result in the Insured Person's death within 12 months or less from the date of diagnosis.

Accelerated Benefit

The term "Accelerated Benefit" means each Critical Illness, Chronic Illness, or Terminal Illness Accelerated Death Benefit Amount paid to the Owner during the Insured Person's lifetime.

Critical, Chronic, and Terminal Illness Accelerated Death Benefit Amounts

The terms "Critical Illness Accelerated Death Benefit Amount," "Chronic Illness Accelerated Death Benefit Amount," and "Terminal Illness Accelerated Death Benefit Amount" mean:

- (1) The maximum dollar amount that We determine can be payable with respect to a claim under the rider to the Owner upon satisfaction of all applicable provisions and requirements under the applicable rider and the Policy; or
- (2) Any lesser amount elected by the Owner to be received under the rider.

The Critical, Chronic, or Terminal Illness Accelerated Death Benefit Amount for a Qualifying Critical Illness, Chronic Illness, or Terminal Illness, as applicable, will never be less than the applicable Minimum Accelerated Benefit Amount for such Qualifying Critical, Chronic, or Terminal Illness.

The Critical, Chronic, or Terminal Illness Accelerated Death Benefit Amount will be equal to the death benefit you elect to accelerate, less the following deductions:

- (1) The actuarial discount determined by us; and
- (2) An administrative fee, not to exceed the maximum administrative fee shown in the rider; and
- (3) Payment of any unpaid but due policy premiums; and
- (4) If applicable, payment of a pro rata amount of any policy loans.

If we determine that the conditions for payment of an accelerated benefit have been met, we will notify you of the Critical, Chronic, or Terminal Illness Accelerated Death Benefit Amount that you may elect, if any, for a Qualifying Critical, Chronic, or Terminal Illness, and we will send you an election form. You must complete the election form and return it to us within the Election Period shown in the rider. The failure to provide the required election form within the election period may preclude payment of a benefit.

You may choose either to elect or not to elect a Critical, Chronic, or Terminal Illness Accelerated Death Benefit Amount that will be paid as an Accelerated Benefit for such Qualifying Critical, Chronic, or Terminal Illness, as applicable.

If, as to the occurrence of a Qualifying Critical Illness, you decide not to elect a Critical Illness Accelerated Death Benefit Amount or if you decide to elect to receive less than the maximum Accelerated Benefit for such Qualifying Critical Illness, you cannot thereafter elect a Critical Illness Accelerated Death Benefit Amount for the same occurrence of such Qualifying Critical Illness.

Any Accelerated Benefit with respect to a Critical Illness Accelerated Death Benefit Amount or a Terminal Illness Accelerated Death Benefit Amount will be paid in one lump sum. Any Accelerated Benefit with respect to a Chronic Illness Accelerated Death Benefit Amount may be paid in one lump sum or in periodic payments.

MEDICAID/GOVERNMENT BENEFITS

Receipt of accelerated death benefits from a life insurance policy MAY AFFECT YOUR ELIGIBILITY FOR MEDICAID AND SUPPLEMENTAL SECURITY INCOME ("SSI"), OR OTHER GOVERNMENT PROGRAMS. In addition, exercising the option to accelerate the death benefit and receiving that benefit before you apply for these programs, or while you are receiving government benefits, may affect your initial or continued eligibility. Contact the Medicaid Unit of your local Division of Medical Assistance and the Social Security Administration for more information.

IMPORTANT NOTICES

There is no premium or charge to include a Critical Illness Accelerated Death Benefit Rider, Chronic Illness Accelerated Death Benefit Rider, or Terminal Illness Accelerated Death Benefit Rider on a policy. Accelerated benefits do not and are not intended to qualify as long-term care insurance.

Important Consumer Disclosures Applicable to Critical Illness Accelerated Death Benefit Rider, Chronic Illness Accelerated Death Benefit Rider, and 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 Death 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 Death 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 Death 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) The failure to provide a required election form (with the requested attachments) within the Election Period provided by the applicable rider (i.e., within 60 days of the owner's receipt of the election form) may preclude payment of a benefit.
- (6) Benefits payable under an accelerated death benefit rider 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 Qualifying Chronic Illness or a Qualifying Terminal Illness. We will send you an IRS Form 1099-R if you receive an accelerated death benefit on account of a Qualifying 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.

Notice Regarding Substitution of one Policy with Accelerated Death Benefit Riders (ABRs) for a previously-issued Policy with different ABRs

If I am applying to substitute a policy with ABRs for a previously-issued policy with different ABRs, I acknowledge that I have carefully compared (or have had the opportunity to carefully compare) the benefits of the replaced policy with the benefits of the new policy for which I am applying. I further acknowledge:

- (1) That some or all of the benefits under the ABRs on the existing policy differ from those in the new ABRs;
- (2) That some or all of the benefits under the existing ABRs on the existing policy noted may be more advantageous to me than those under the applied-for ABRs;
- (3) That some of benefits under the new ABRs may be more advantageous to me than those under the existing ABRs; and
- (4) That the applied-for ABRs may exclude coverage for claims arising from conditions for which the existing ABRs on the policy noted above may provide coverage.

ACKNOWLEDGMENT

I acknowledge that I have reviewed this Summary and Disclosure Notice and have received a copy of it, if required, and will be provided a copy with my policy.

The applicant was shown a copy of this Summary and Disclosure Notice prior to executing an application.

Owner's Signature

Agent's Signature

X

X _____

Owner signed on (date) _____

Agent signed on (date) _____

Owner Title _____

(If Corporate Officer or Trustee)