

American General Life Insurance Company

Dear Proposed Insured:

Your qualified Insurance Professional should discuss with you the matters described in this guide and respond to your questions concerning the advantages and disadvantages of making any changes in your insurance coverage. This guide is being provided to help you evaluate whether to surrender, lapse or in any other way change the status of existing life insurance. In most situations it is not advantageous to drop or change existing life insurance in favor of new life insurance. Some of the reasons it may be disadvantageous are:

- (a) The amount of the annual premium under an existing policy may be lower than that called for by a new policy having the same or similar benefits. Any replacement of the same type of policy will normally be at a higher premium rate based upon the insured's then attained age.
- (b) Since the initial costs of life insurance policies are charged against the cash value increases in the earlier policy years, the replacement of an old policy by a new one results in the policyholder sustaining the burden of these costs twice.
- (c) The incontestable and suicide clauses begin anew in a new policy. This could result in a claim under a new policy being denied by the company which would have been paid under the policy which was replaced.
- (d) The present insurance company can often make a desired change, on terms which would be more favorable than if you replaced existing insurance with new insurance.

As you review the information on this form be sure to ask questions about items that you don't understand so that you can make a knowledgeable decision whether the proposed transaction is in your best interest.

1. Following are items which frequently arise when comparing two life insurance policies. The information to answer these questions must be obtained from a policy illustration. check only those items which are true with regards to the proposed policy:

- | | |
|---|--|
| <p>A. <input type="checkbox"/> Higher Guaranteed Death Benefit
 <input type="checkbox"/> Higher Guaranteed Cash Value
 <input type="checkbox"/> Lower Guaranteed Annual Premium</p> | <p><input type="checkbox"/> Higher Illustrated Death Benefit
 <input type="checkbox"/> Higher Illustrated Cash Value
 <input type="checkbox"/> Shorter Illustrated years to make premium payments
 <input type="checkbox"/> Lower Illustrated Annual Premium</p> |
|---|--|

B. Initial Death Benefit Comparison:
 Initial death benefit is guaranteed to be in force at illustrated premium for _____ years under proposed policy and _____ years under existing policy.
 Lifetime coverage is guaranteed at initial death benefit levels upon payment of \$ _____ in total premium under proposed policy and \$ _____ in total premium under existing policy.

C. How many years will be required for the proposed policy's benefits to exceed those of the existing policy:
 Guaranteed cash surrender values for proposed policy will exceed existing policy's values in year _____ and subsequent years.
 Guaranteed death benefit of proposed policy will exceed existing policy's death benefits in year _____ and subsequent years.
 Illustrated cash values under proposed policy exceed those of existing policy in year _____ and subsequent years.
 Illustrated death benefits under proposed policy exceed those of existing policy in year _____ and subsequent years.

2. Describe differences between proposed and existing plans of insurance (riders, benefits, type of policy, loans) _____

3. Describe significant facts not discussed above (including disadvantages) that should be considered in evaluating policies _____

4. What will be done with existing policy if replacement occurs? (lapse, maximum loan, paid-up) _____

5. Proposed Policy:

Company Name

Policy Number

Face Amount

Existing Policy:

Company Name

Policy Number

Face Amount

Signature of Agent

Date

Acknowledgement of Proposed Insured:

I hereby acknowledge that the agent discussed with me the information set forth in this Comparison Guide before I signed the application for new insurance.

Signature of Proposed Insured

Date