

# AIG Select-a-Term<sup>®</sup>

Life on Your Terms



Level-Premium Term Insurance with 10-, 12-, 15-, 16-, 17-, 18-, 19-, 20-, 21-, 22-, 23-, 24-, 25-, 26-, 27-, 28-, 29-, 30-, 31-, 32-, 33-, 34- and 35- Year Term Periods

Pricing effective February 25, 2008

Policies issued by:

**American General Life Insurance Company**

*A member company of American International Group, Inc. (AIG)*



**THE STRENGTH TO BE THERE.<sup>®</sup>**

## Why Term Insurance?

For millions of Americans just like you, term life insurance often serves as an ideal solution for their family or business protection needs.

Term insurance provides affordable, guaranteed death benefit coverage for as long as you need it.<sup>1</sup> For some, that means helping to protect their families from a mortgage burden in the event of a premature death. For others, it means providing key person coverage to help ensure continuity for their businesses. And, if your needs should change, the conversion feature allows you to exchange your term policy for a permanent life product — without providing evidence of insurability. (Consult your policy for the terms and limitations of this conversion privilege.)

If you're thinking of term life insurance, *AIG Select-a-Term*<sup>®</sup> may be just the right policy for your needs.



### **Life doesn't always fit into neat little five-year increments standard to most term insurance policies.**

*AIG Select-a-Term*<sup>®</sup> from American General Life Insurance Company (American General Life) offers a powerful new way to customize your life insurance plans to anticipate known future events such as retirement, paying off your mortgage or funding your child's college education.

By selecting only the term coverage needed — 10-, 12-, or 15- through 35-year term periods — you avoid paying extra, unnecessary costs. You can further customize your coverage by selecting from one of the numerous available riders including: Accidental Death Benefit; Child Rider; Disability Income Rider; Terminal Illness Rider and Waiver of Premium.

*AIG Select-a-Term* offers reliable insurance coverage backed by the financial stability and strength of American General Life, one of the most trusted names in the life insurance industry. And — like all of American General Life's term policies — an *AIG Select-a-Term* policy can be converted to a permanent life insurance plan during the conversion period without evidence of insurability.

## AIG Select-a-Term Policy Features:

- A choice of 10-, 12-, or 15- through 35-year terms of life insurance coverage
- Full convertibility to a permanent life insurance policy of the company's choosing, up to the end of the level-premium period or age 75 of the insured, whichever comes first
- A terminal illness endorsement<sup>2</sup> providing the option to accelerate the lesser of \$250,000 or 50 percent of your policy death benefit, if insured is diagnosed by a qualified physician as having 12 months or fewer to live

## Available Optional Riders:<sup>3</sup>

- **Accidental Death Benefit:** Pays a death benefit in addition to the death benefit of the base policy if such death resulted from certain accidental injuries
- **Waiver of Premium:** Automatically pays policy premiums in the event of the insured's total disability (not available if the face amount of the policy exceeds \$5 million)
- **Child Rider:** Available for issue for children 15 days or older but less than 19 years old
- **Disability Income Rider:** Can pay a monthly benefit up to two years if you are unable to work because of an illness or injury. While you are receiving benefits under this rider, all policy and rider premiums are waived. Only available on term periods through 30 years, not available on periods 31-35.

Take a few minutes to review the scenarios on the following pages for examples of the policy in action and its benefits for people just like you.

## AIG Select-a-Term Scenarios

### Protecting their Home

John, 38, and Elizabeth, 34, both work outside the home to provide the best way of life for their family. They live in an affluent, family-friendly neighborhood — minutes from good schools and the grandparents. They have 23 years remaining on a \$500,000 mortgage loan.



### The Problem

These working parents would like to raise their family in their current home, even in the event of a premature death. To help protect their investment, John and Elizabeth each need 23 years of life insurance coverage, but don't want the increased cost of a 30-year policy.

### The Solution

With *AIG Select-a-Term*, John (Standard Plus) and Elizabeth (Preferred Nontobacco) can each purchase a \$500,000 face amount policy for 23 years. Their annual premium would be \$755 and \$385, respectively — a combined savings of \$240 per year, \$5,520 total over 23 years, for the couple when compared to the cost of a 30-year plan.<sup>4</sup>

### Single Working Mother

As the sole income provider for her family of three, Melissa, 29, wants to make sure that her children, ages 1 and 5, will still be able to attend college in the event of her premature death. At her current savings rate, Melissa expects to fully fund both children's college educations within 17 years.

### The Problem

Because her children's college educations will be fully funded within 17 years, Melissa only needs 17 years of life insurance coverage.

### The Solution

*AIG Select-a-Term* offers incremental term periods between 15 and 35 years, so Melissa can purchase a 17-year term policy and only pay for the coverage she needs. As a 29-year old female in the Preferred Plus underwriting class, Melissa can purchase a \$400,000 policy guaranteed for 17 years for only \$15.58 a month.<sup>4</sup>



The cases presented are not actual and are for illustrative purposes only.

## Coverage for the Working Years

Paul, 41, is an up-and-coming manager earning a solid living for his family of five. He and his wife Joan, a full-time homemaker, are working hard to plan for Paul's retirement at 67, the age that he will be eligible to receive full retirement benefits from Social Security. Of course, everything hinges on Paul's income for the next 26 years.



### The Problem

To help protect Paul's income, the family needs term life insurance coverage for the next 26 years. Unfortunately, most insurance companies only offer a 20- or 30-year plan. This means that Paul would either be unprotected for six years or pay a premium for an extra four years of coverage he doesn't need.

### The Solution

With *AIG Select-a-Term*, Paul has the flexibility to purchase a term policy that meets his 26-year retirement horizon precisely. As a 41-year old male in the Preferred Plus underwriting class, Paul can purchase a 26-year policy at a face value amount of \$1 million for an annual premium of only \$1,190.<sup>4</sup>

The cases presented are not actual and are for illustrative purposes only.

## Coverage beyond the Working Years

Ross spent the last 40 years of his career building a successful manufacturing business. Now, at the age of 62, he is ready to retire and recently sold the business to investors. As part of the sale agreement, Ross will continue to receive a monthly income from the business for the next 23 years (to age 85). Ross and his wife Paula are counting on this income to help fund their retirement lifestyle.



### The Problem

To help protect this monthly income for his wife, Paula, Ross needs term insurance coverage well into his 80s. Due to his age, Ross is having difficulty securing term life insurance beyond age 80.

### The Solution

With *AIG Select-a-Term*, Ross (Standard Nontobacco) can get \$1.5 million of coverage that will last 23 years until he's 85, for an annual premium of \$25,340.<sup>4</sup>

The cases presented are not actual and are for illustrative purposes only.

## About American General Life

Just as your family turns to you for security and peace of mind, millions of Americans turn to American General Life to help protect their families against financial hardships.

- The most prominent independent ratings agencies continue to recognize American General Life in terms of insurer financial strength. For detailed information about our ratings, please visit [www.aigag.com/ratings](http://www.aigag.com/ratings).
- A steadfast commitment to our clients and the advisors who help safeguard their security
- A member company of American International Group, Inc., one of the world's leading providers of financial services

**Protection from American General Life.  
It's a promise you can believe in.**

- <sup>1</sup> Guarantees are subject to the claims-paying ability of American General Life Insurance Company.
- <sup>2</sup> Terminal illness endorsement is automatically included in the policy at no additional premium. State variations apply, and the endorsement is not available in all states. Any amount advanced is subject to a one-time fee and other terms and conditions. See your policy for details.
- <sup>3</sup> See the policy and riders for complete details. There may be a charge for each rider you select. All benefits payable are subject to the terms and conditions of the policy and riders, including benefit durations, limitations and exclusions. Not all benefits, rates and exclusions are covered in every state. Adding or deleting riders and increasing or decreasing coverage under existing riders can have tax consequences. Policy owners should consult a qualified tax advisor.
- <sup>4</sup> Premium rates current as of 02/25/08: rates may vary by state. Premiums for the other rate classes, ages and payment plans are available. Premium charges will depend on each applicant's evidence of insurability. Premiums increase at the end of the guaranteed term if policy is renewed. Death benefit remains level and is payable in lump sum, or installments, if so elected. The insurance company may contest the policy for two years from the date of the policy issue for material misstatements or omissions on the application. Death benefit payable from any cause, except suicide, within first two policy years. In the event of suicide in the first two years, policy is limited to return of premium paid.



Policies issued by:

**American General Life Insurance Company**

*A member company of American International Group, Inc. (AIG)*

2727-A Allen Parkway, Houston, Texas 77019

*AIG Select-a-Term* Policy Form Number 07007

Accidental Death Benefit Rider Form Number 79002

Child Rider Form Number 79410

Disability Income Rider Form Number 06305

Terminal Illness Rider Form Number 91401

Waiver of Premium Rider Form Number 79001

The underwriting risks, financial obligations and support functions associated with the policies issued by American General Life Insurance Company (American General Life) are its responsibility. AIG does not underwrite any insurance policy referenced herein. American General Life is responsible for its own financial condition and contractual obligations.

American General Life does not solicit business in the state of New York. Policies and riders not available in all states.

©2008 American International Group, Inc. All rights reserved.

AGLC102406 REV0208