



AIG Announces Value+ IUL

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Index universal life insurance product offers flexible protection at a market-leading price — plus Optionality®

HOUSTON--(BUSINESS WIRE)--Jan. 12, 2015-- American International Group, Inc. (NYSE:AIG) today announced the launch of Value+ IUL, an index universal life insurance product issued by American General Life Insurance Company. The Value+ IUL solution is designed to provide flexible business and personal financial protection at a market-leading price, and two unique options to access cash value in the policy without reducing the initial death benefit.

"This product is the direct result of focus groups and interviews with life insurance producers from across America, and builds on more than 20 years of expertise in the IUL market," said James A. Mallon, President, Life Insurance, AIG Consumer Insurance. "Value+ IUL offers meaningful guarantees, and flexibility in the form of special features and interest crediting strategies that help reduce costs and deliver maximum value. As agents and advisors can explain to clients, this is 'Life insurance with *Optionality*®. Your needs. Your choices. Your way."

While most insurance policies lock in cash, Value+ IUL includes two unparalleled provisions for accessing excess cash value in the policy without decreasing the initial death benefit.¹ Accessed cash value can be used to purchase additional, paid-up life insurance without further underwriting or for any purpose, including supplemental retirement income. The two distinctive access options include:

- Access to cash if strong index performance – If values in the policy exceed benchmark assumptions due to strong index performance, this one-of-a-kind liquidity option allows clients to withdraw excess cash value, either in policy year 20 or at age 85, with no reduction in the initial death benefit or to the length of the death benefit guarantee. If they choose, clients can use the cash value to buy additional, paid-up life insurance without further underwriting.
- Access to cash from excess funding – If the client pays extra into the policy to achieve additional, tax-advantaged growth, he or she can use this unique liquidity option to withdraw excess premiums in policy year 20, with no decrease in the initial death benefit, if there is available cash surrender value in the policy.

The Value+ IUL product also offers an early cash value access option with unlocked surrender charges. If the policy is funded early (for example, through a single-pay premium or a policy transfer from another carrier), the client may withdraw funds above the cumulative benchmark premium in years 3 through 14, to the extent that accumulation value is available, and with no surrender charge penalties. The funds are not locked in.

While Value+ IUL is not an investment, it provides clients with the potential to earn index interest crediting based in part on an underlying index while providing downside market protection. Index interest will be based in part on the performance of the selected indices, but will never be less than 0.25 percent per year. Also, after year five, the policy will automatically begin receiving an account value interest enhancement of 0.75 percent per year. This percentage is guaranteed never to decrease.

Value+ IUL offers three crediting strategies. Clients may allocate funds to a single strategy or to a combination of two or three:

- an Index Interest Cap Account, with interest crediting based in part on annual growth of the S&P 500[®],² along with an annual cap. The index interest account will never be credited less than 0.25 percent, regardless of index performance.
- a Strategic Participation Index Account, with interest crediting based in part on a proprietary ML Strategic Balanced IndexSM,³ a combination of the S&P 500 and the Merrill Lynch 10-Year Treasury Futures (Total Return) Index, subject to a participation rate. This index account will never be credited less than 0.25 percent, regardless of index performance.
- a Declared Interest Account, with crediting declared by the issuing insurance company, with an annual minimum guaranteed rate of 2.00 percent.

Value+ IUL also offers the potential for living benefits through the Accelerated Access Solution[®], available at an additional fee. This rider allows policy holders access to a portion of the death benefit, income tax free (based on current tax laws), if they meet all eligibility requirements, including being certified by a licensed physician as chronically ill, with the condition expected to be permanent.

When the rider is triggered (after a 90-day elimination period), the policy holder can take 2 percent or 4 percent of the benefit amount per month, or can choose the IRS per-diem maximum (as adjusted annually for inflation) to cover medical or virtually any other bills. A waiver of deduction on the entire Value+ IUL policy applies as long as the policy holder is on claim.

For more details on the features, customization options, and benefits of Value+ IUL — reinvented life insurance that provides outstanding protection and value at a market-leading price — visit AIG.com/ValueIUL.

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¹ Under current federal tax law, partial withdrawals are reportable to the policy owner and may be taxable.

² The S&P 500 (the "Index") is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and has been licensed for use by AGL and US Life. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"). These trademarks have been licensed to SPDJI and sublicensed for certain purposes to AGL and US Life. Value+ IUL is not sponsored, endorsed, sold or promoted by SPDJI, S&P, or their respective affiliates, and none of such parties make any representation regarding the advisability of paying premiums for Value+ IUL nor do they have any liability for any errors, omissions, or interruptions of the Index.

³ The ML Strategic Balanced IndexSM provides systematic, rules-based access to the blended performance of two underlying indices—the S&P 500 (without dividends), which serves to represent equity performance, and the Merrill Lynch 10-year U.S. Treasury Futures Total Return Index, which serves to represent fixed income performance. To help manage overall return volatility, the Index may also systematically utilize Cash performance in addition to the performance of the two underlying indices. Important Note: The ML Strategic Balanced Index embeds an annual index cost in the calculations of the change in Index Value over the Index Term. This "embedded index cost" will reduce any change in Index Value over the Index Term that would otherwise have been used in the calculation of index interest, and it funds certain operational and licensing costs for the index. It is not a fee paid by you or received by the Company. The Company's licensing relationship with Merrill Lynch, Pierce, Fenner & Smith Incorporated for use of the ML Strategic Balances Index and for use of certain service marks includes the Company's purchase of financial instruments for purposes of meeting its interest crediting obligations. Some portion of those instruments will, or may be, purchased from Merrill Lynch, Pierce, Fenner & Smith Incorporated or its Affiliates. Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates ("BofA Merrill Lynch") indices and related information, the name "BofA Merrill Lynch", and related trademarks, are intellectual property licensed from BofA Merrill Lynch, and may not be copied, used, or distributed without BofA Merrill Lynch's prior written approval. The products of licensee (American General Life Insurance Company) have not been passed on as to their legality or suitability, and are not regulated, issued, endorsed, sold, guaranteed, or promoted by BofA Merrill Lynch. BOFA MERRILL LYNCH MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO ANY INDEX, ANY RELATED INFORMATION, ITS TRADEMARKS, OR THE PRODUCT(S) (INCLUDING WITHOUT LIMITATION, ITS QUALITY, ACCURACY, SUITABILITY AND/OR COMPLETENESS). The ML Strategic Balanced Index (the "Index") is the property of Merrill Lynch, Pierce, Fenner & Smith Incorporated, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Index. The Index is not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices will not be liable for any errors or omissions in calculating the Index. "Calculated by S&P Dow Jones Indices" and the related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by Merrill Lynch, Pierce, Fenner & Smith Incorporated.

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American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

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Source: American International Group, Inc.

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