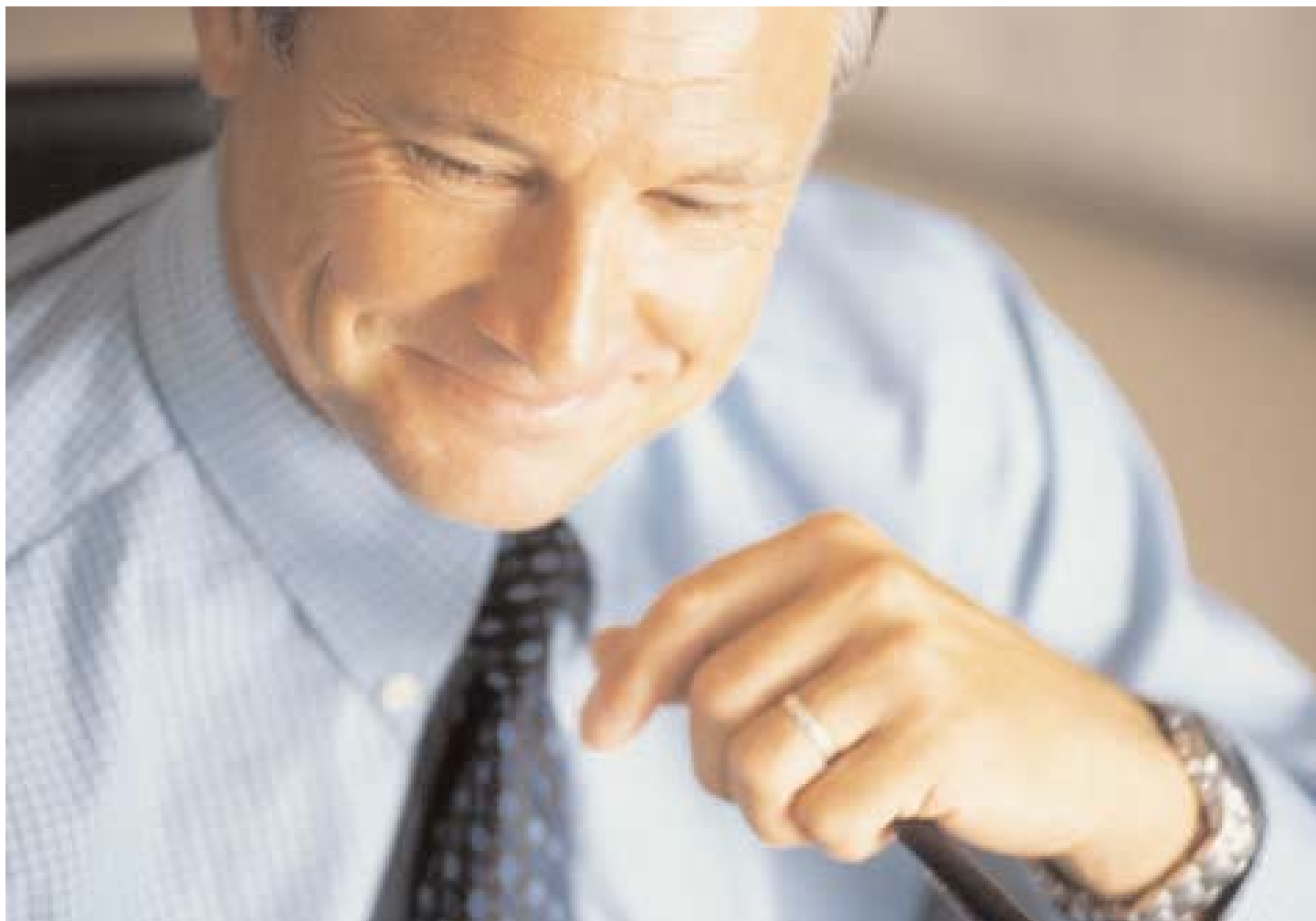


The Power of Continuity

ContinUL ExtendSM
Universal Life Insurance



Flexible premium, adjustable death benefit universal life insurance with secondary guarantee provisions

Policies issued by:

American General Life Insurance Company

The United States Life Insurance Company in the City of New York

Member companies of American International Group, Inc.

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WE KNOW LIFE.®

AIG AMERICAN
GENERAL



If your clients are looking for more from their insurance coverage, *ContinUL Extend* offers the unique array of options and features to meet their needs — and exceed their expectations.

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ContinUL Extend: An Introduction

ContinUL Extend universal life insurance offers your clients a unique combination of:

- dependable death benefit protection,
- the options that let you customize their coverage to fit their needs, and
- the flexibility to adapt as those needs change.

Because with *ContinUL Extend*, your client's death benefit coverage can be guaranteed — regardless of what happens to the policy value — as long as they've paid the premium needed to maintain the guaranteed death benefit.^{1,2} This frees your clients to use the policy as they see fit without worries about their coverage lapsing. They're also free to choose the duration of their no-lapse guarantee, so they won't be paying for more protection than they need.

ContinUL Extend offers policy holders the option of paying a lower premium during the policy's earlier years and using a one-time option to adjust to "catch up" at a later date — without interest charges.³

If your clients are looking for more from their insurance coverage, *ContinUL Extend* offers the unique array of options and features to meet their needs — and exceed their expectations.



For some clients, almost any insurance policy will do. And then there are those who demand more. More features, more flexibility, more guarantees. For those clients, we're pleased to offer *ContinUL Extend* universal life insurance.

¹ Guarantees are subject to the claims-paying ability of the insurance company.

² Subject to the policy's terms and conditions

³ Available for issue ages 70 and younger starting in the third policy year. Option to Adjust may only be used once, and changes will terminate the feature. Policy owners may catch up with interest at any time. Other restrictions apply.

⁴ Subject to the rider's terms and conditions. Spouse/Other Insured Rider and Terminal Illness Rider not available in the state of New York.

Policy Highlights

- **Continuation Guarantee:** Coverage continues as long as enough premium is paid to guarantee the death benefit²
- **Increased Maturity to Age 121:** Allows for lower premium streams by illustrating out to age 121
- **Base/Supplemental Blending:** Offer your clients lower guarantee premiums by blending in supplemental coverage (also reduces target premiums proportionately)
- **Flexible Guarantee Period:** Your client selects the duration of the death benefit coverage guarantee according to his or her individual needs
- **Consumer-Friendly Features:**
 - **Late Payments:** Clients who sometimes make late premium payments now have a 28-day window during which their payment will be credited as if received on time for the purpose of maintaining the death benefit guarantee
 - **1035 Exchanges:** Proceeds from 1035 exchanges received within a 12-month window will be treated as if received on the issue date for the purpose of maintaining the death benefit guarantee
- **Option to Adjust Feature:** Policy owners can start their coverage with a lower premium and catch up at any time by paying the premium required for the death benefit coverage guarantee — without any interest charge — as long as the continuation guarantee is in effect this feature may only be used once^{2,3}
- **Flexible Death Benefit:** Your clients can increase or decrease the policy death benefit to fit their changing needs (subject to the terms and conditions of the policy and rider)
- **Premium Payment Options:** Policy owners can select a premium payment plan that fits their financial needs and goals
- **Available Riders:**
 - **Accidental Death Benefit:** Provides up to \$200,000 in additional benefit if the insured's death is accidental⁴
 - **Children's Insurance Benefit:** Provides term insurance on dependent children up to age 19⁴
 - **Spouse/Other Insured Rider:** Provides level term insurance, up to two times the base policy's death benefit, on the insured's spouse (not available in the state of New York)⁴
 - **Terminal Illness Rider:** Provides an accelerated death benefit if the insured is diagnosed with a terminal illness (not available in the state of New York)⁴
 - **Waiver of Monthly Deduction:** Waives the monthly deduction should the insured become disabled⁴

Flexibility to Meet Changing Financial Needs

Many of today's clients demand a policy that's flexible enough to meet today's specific needs and adapt to tomorrow's. *ContinUL Extend* offers numerous features that deliver just the flexibility they're looking for.

- With *ContinUL Extend*, your clients can select the no-lapse guarantee period that best matches their needs and the amount they're willing to spend on premiums
- They can increase their death benefit amount at any time (subject to satisfactory evidence of insurability) or decrease that amount at any time after the first policy year
- The Option to Adjust feature of *ContinUL Extend* allows the policy owner the option of paying a lower premium during the policy's early years and "catching up" the amount at a later date without interest charges³
- Finally, an array of riders allows your clients not only to customize their own coverage, but to extend that coverage to others in their families



Many of today's clients demand a policy that's flexible enough to meet today's specific needs and adapt to tomorrow's.

About the Continuation Guarantee

Secondary guarantees, also known as "no-lapse" or "long-term" guarantees, specify that the death benefit will be guaranteed as long as certain policy conditions are met, even if the policy's cash value falls to zero.

ContinUL Extend utilizes a continuation guarantee account to determine whether the no-lapse guarantee is in effect. The value of the continuation guarantee account is calculated in the same way as the actual policy value, but using different charges and interest rates, which are guaranteed not to change. The continuation guarantee account does not provide additional policy value or death benefit proceeds; it is simply a reference value used to determine whether the no-lapse guarantee is in effect.

With *ContinUL Extend's* continuation guarantee, your clients will know the specific amount needed to guarantee their policy's death benefit, without being concerned about changing interest rates or other variables that could impact the policy's cash value. Their coverage will continue as long as they have paid enough premium to guarantee the death benefit.

ContinUL Extend offers the flexibility to choose the number of years or age to which the policy holder wants the death benefit to be guaranteed, regardless of how the policy performs, if the premium associated with that guarantee is paid.

Should circumstances change, *ContinUL Extend* has the flexibility to extend the death benefit guarantee to a longer period of time or shorten it as needed.

In addition, the continuation guarantee is not impacted by late payments, as long as the payment is received within 28 days of its due date. Missed payments simply shorten the duration of the death benefit guarantee.

If your client is funding his or her policy with a 1035 exchange, we will credit those proceeds within a 12-month window as if received on the issue date for the purpose of maintaining the death benefit guarantee.

Option to Adjust

The Option to Adjust feature of *ContinUL Extend* offers policy owners the opportunity to pay a one-time lump sum to catch up to the age 121 guarantee premium without interest, as long as the continuation guarantee is in effect. This option is available for issue ages 70 and younger starting in the third policy year and can be exercised only once. Policy owners may catch up with interest at any time.

With the Option to Adjust feature, policy owners can start their coverage with a lower premium and later catch up by paying the premium required for the death benefit guarantee.

Here's how it works. A male, age 45, Preferred Nonsmoker underwriting class, purchases a *ContinUL Extend* policy with a face amount of \$2,000,000 and a guarantee premium to maturity of \$16,281. For the first five policy years, the policy owner pays \$9,000 annually instead of the \$16,281 premium. In year 6, he wants to catch up to preserve the continuation guarantee. He exercises his Option to Adjust and simply pays the difference between the premium required and what he actually paid, plus that year's annual premium — a total of \$52,686 — without interest.

Example: Option to Adjust			
Year	Guarantee Premium	Actual Premium Paid	Difference
1	\$16,281	\$9,000	-\$7,281
2	\$16,281	\$9,000	-\$7,281
3	\$16,281	\$9,000	-\$7,281
4	\$16,281	\$9,000	-\$7,281
5	\$16,281	\$9,000	-\$7,281
6	\$52,686 Catch-up Premium $(\$7,281 \times 5) + \$16,281$		
7-76	\$16,281		

This example is used for illustrative purposes only.

This is a key feature of *ContinUL Extend*. Not only can the policy owner retain the continuation guarantee, but he also does not have to pay the interest that would have accrued had the premium payments been made in full.

The Option to Adjust can be terminated by certain changes, including a change in underwriting class, death benefit increases or decreases, partial surrenders, death benefit option changes and adding or deleting riders to the policy.

Tax-Advantaged Benefits

Compounding the growth potential of *ContinUL Extend* are the tax-advantaged cash accumulation benefits. Because your client's accumulation value grows tax-deferred in a life insurance product, he or she would have to earn a higher interest rate on alternate taxable financial vehicles to match the benefits of a *ContinUL Extend* policy. *ContinUL Extend* offers additional tax benefits, including tax-advantaged distributions through policy loans and withdrawals and income-tax-free death benefit proceeds.⁵

⁵ Loans and withdrawals may trigger a taxable event. Withdrawals are subject to a 19-year decreasing surrender charge. Income-tax-free death benefit is based on current federal income tax laws.

Frequently Asked Questions (FAQs) About ContinUL Extend

Q. Where does it say that the death benefit is guaranteed?

A. In two separate places:

- **On the Illustration:** The signature page of the illustration shows how the policy performs on a guaranteed and nonguaranteed basis over several years. As long as the illustrated premium is paid each year, the illustration will show a death benefit even if the cash surrender value is zero.
- **In the Policy:** The policy outlines the requirements of the continuation guarantee provision. While the methodology used to calculate the continuation guarantee is complex, the provision stipulates that the policy will not lapse as long as the continuation guarantee is in effect.

Q. What is meant by “guarantee premium?”

A. The guarantee premium is the premium required to guarantee coverage for the duration specified. *ContinUL Extend* offers your client the flexibility to choose the length of time he or she wants the guarantee to last, be it 20 or 30 years — or any other period of time.

Q. Can the company cause the continuation guarantee to be lost?

A. No.

Q. Can the continuation guarantee ever be lost?

A. Certain actions by the policy owner can cause the continuation guarantee to be shortened or lost.

For instance,

- Not paying the premiums when they are due. The timing of payments is important in calculating the value of the continuation guarantee account. Late or skipped payments affect the value of the continuation guarantee account. (See the section on late payments.)
- Taking loans or withdrawals from the policy as these affect the continuation guarantee account value.
- Making policy changes such as increasing the death benefit or adding a rider, as these too affect the continuation guarantee account value.

In these cases, the continuation guarantee can be maintained as long as corresponding changes to the amount of premium being paid are also made. *ContinUL Extend* offers the flexibility to design the product that best meets your clients' needs and that can change with their changing circumstances.

Q. What are the requirements of the guarantee provision?

A. To guarantee that the policy will not lapse under the continuation guarantee provision, the continuation guarantee account value must be greater than or equal to zero. To ensure this, (1) the guarantee premiums required must be applied when they are due (see the section on late payments), (2) there can be no loans or withdrawals, and (3) no policy changes such as increasing the death benefit or adding riders can be made. These factors affect the calculation of the continuation guarantee account value and can cause it to fall below zero.



FAQs (Cont'd)

Q. How is the continuation guarantee value calculated?

A. The continuation guarantee value is calculated in the same way as the actual policy value, but using different charges and interest rates. Unlike the actual policy value, the charges and interest rates in this alternate policy value calculation are guaranteed not to change. The guaranteed rates and charges for the continuation guarantee calculation are shown on the policy's schedule page.

Q. Why is this type of continuation guarantee account sometimes referred to as a "shadow" account?

A. It is sometimes referred to as a "shadow" account because, while it has many of the characteristics of a policy value account (rates are credited to it, charges are deducted from it, and a value is calculated), there is no actual value to the account. It does not provide additional policy value or death benefit proceeds. It is simply a reference value used to determine whether or not the continuation guarantee is in effect.

Q. Can the premium needed for the guarantee ever go up?

A. The premiums required for the guarantee cannot be increased by the company, but can change due to actions taken by the policy owner. Actions that affect the continuation guarantee include not paying the guarantee premiums when they are due, taking loans or withdrawals, or making policy changes such as increasing the death benefit or adding riders.

For instance, if the policy owner increases the death benefit amount, the guarantee premium he or she has been paying may not be sufficient to guarantee the new higher death benefit for the same length of time. In order to maintain the continuation guarantee for the new death benefit, a larger guarantee premium may be required.

Q. Can the premium needed for the guarantee ever go down?

A. Yes. Certain actions by the policy owner can cause the guarantee premium amount to decrease. For instance, if the policy owner decreases the death benefit amount, the premium necessary to guarantee the new lower death benefit may also decrease.

Q. What if the policy owner makes a late payment or skips a payment?

A. **Late Payments:** Because we know that from time to time policy owners may send a late payment, we will credit payments received within a 28-day window as if received on time for the purposes of calculating the value of the continuation guarantee account. Payments applied beyond the 28-day window may shorten the duration or cause the loss of the continuation guarantee.

Skipped Payments: A skipped payment may shorten the duration or cause the loss of the continuation guarantee because it affects the calculation of the continuation guarantee account value. If such a situation occurs, *ContinUL Extend* gives policy owners the option to "catch-up" in order to preserve the guarantee. Refer to **Option to Adjust** on page 5.

In general, the best course of action is to pay the minimum guarantee premium and pay it on time.

FAQs (Cont'd)



Q. Is the continuation guarantee affected by the timing of 1035 exchanges?

A. Recognizing that the timing for receipt of 1035 exchange proceeds may be beyond the policy owner's control, the company will credit 1035 exchange proceeds received within a 12-month window as if received on the issue date for purposes of calculating the value of the continuation guarantee account. Proceeds from 1035 exchanges received beyond the 12-month window may shorten the duration or cause the loss of the continuation guarantee.

Q. For how long do the guarantee premiums have to be paid and how long does the guarantee last?

A. The policy owner can choose how long they want the guarantee to last, be it 20 or 30 years, or any length of time up to the insured's age 121. The illustration software allows you to select the duration for the guarantee and will calculate the guarantee premium required for the length of time chosen. In addition, policy owners can choose to pre-fund the guarantee by selecting the number of years over which they want to pay premiums.

Q. Can the policy owner restore the guarantee if lost?

A. Yes! *ContinUL Extend* has a "catch-up" feature, called the Option to Adjust, that allows the policy owner to catch up the premiums needed to preserve the continuation guarantee — and do so without interest.

This option can be used only once. The Option to Adjust is available for issue ages 70 and younger starting in the third policy year. The policy owner may catch up with interest at any time, regardless of issue age. Other restrictions apply.

Q. Under what circumstances would the Option to Adjust not be available?

A. Certain changes to the policy can terminate the Option to Adjust, including a change in underwriting class, death benefit increases or decreases, partial surrenders, death benefit option changes, and adding or deleting riders.

Q. If interest rates rise and there is enough cash value in the contract to carry it to maturity (age 121), do the guarantee premiums still need to be paid?

A. No. The guarantee premium is only needed if cash values fall to zero and the policy would otherwise lapse. The continuation guarantee stipulates that as long as the guarantee premium is paid, the policy will not lapse even if the cash value falls to zero (as long as the conditions of the continuation guarantee have been met).

Q. Can a loan be taken from a *ContinUL Extend* policy and how does a loan affect the continuation guarantee?

A. Yes, policy owners may borrow from their policy at any time as long as the policy is in force and the amount borrowed is equal to or less than the policy's loan value (cash value less any outstanding loans and interest due on the amount to be borrowed). Taking a loan from the policy can cause the continuation guarantee to be shortened or lost. Also, any loan must be repaid in order to exercise the Option to Adjust feature.

Q. Is backdating allowed for *ContinUL Extend*?

A. Yes, backdating is allowed within normal company rules. The illustration needs to be run from the home office.

Q. Can a term product be converted to *ContinUL Extend*?

A. No, term conversions to *ContinUL Extend* are not allowed.

About American General Life and United States Life

Just as your clients turn to you for security and peace of mind, millions of Americans turn to American General Life Insurance Company and The United States Life Insurance Company in the City of New York to help protect their families against the financial hardships that illness or death can bring about.

- The most prominent independent ratings agencies continue to recognize American General Life and United States Life in terms of insurer financial strength; for detailed information about our ratings, please visit www.aigag.com/ratings
- A steadfast commitment to our clients and the advisers who help safeguard their security
- We're a member company of AIG, one of the world's leading providers of financial services

Death Benefit Protection

The primary purpose of life insurance is to provide a death benefit. Increasing cash values and tax-advantaged distributions are additional benefits that may be realized through a long-term commitment to life insurance. Here at American General Life and United States Life, we offer flexibility in our life insurance products to better match your clients' needs. This flexibility allows customers seeking a high death benefit for their premiums to benefit from a product designed to emphasize that feature, while other designs underscore long-term cash accumulation.

Regardless of which feature of a policy is emphasized, it is important to remember that the primary purpose of all life insurance is to provide death benefits that protect your clients' families or provide financial resources to satisfy other obligations arising from an insured's death.

Product specifications contained in this guide are not intended to be all-inclusive of product information. State variations may apply. Please refer to your profit center for assistance or review the policy for complete details.



Policies issued by:

American General Life Insurance Company

*A member company of American International Group, Inc.
2727-A Allen Parkway, Houston, Texas 77019*

Policy Form Number 05337, Accidental Death Benefit Rider 82012, Children's Insurance Benefit Rider 82410, Spouse/Other Insured Term Rider 88390, Terminal Illness Rider 91401, Waiver of Monthly Deduction Rider 82001

The United States Life Insurance Company in the City of New York

*A member company of American International Group, Inc.
830 Third Avenue, New York, New York 10022*

Policy Form Number 05337N, Accidental Death Benefit Rider ADB791E, Children's Insurance Benefit Rider C1791E1, Waiver of Monthly Deduction Rider 82001N

The underwriting risks, financial obligations and support functions associated with the policies issued by American General Life Insurance Company or The United States Life Insurance Company in the City of New York are the issuing insurer's responsibility. Each insurance company is responsible for its own financial condition and contractual obligations.

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

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Important: Prior to soliciting business, be certain that you are appropriately licensed and appointed with the insurer and that the product has been approved for sale by the insurer in that state. If uncertain, contact your profit center for assistance.

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