

# PRODUCT UPDATE

## Notice of Upcoming Guaranteed Universal Life Pricing Changes

Effective September 24, 2012, American General Life Companies will announce pricing changes on AG Secure Lifetime GUL® policies issued by American General Life Insurance Company and The United States Life Insurance Company in the City of New York.

Despite persistent low interest rates which continue to pose challenges for the marketplace, we continue to improve the value of our products to your clients. Premium rate increases are a prudent decision and reflect American General's commitment to effectively manage its products in the current economic environment. Because we balance the pricing environment with product features that provide protection and the ability to respond to changing conditions, guaranteed universal life products from American General Life insurance Companies remain an outstanding buy in the marketplace. Our fixed GUL products provide an unmatched package of guarantees, flexibility and cash value.

### New pricing will be available on quote and illustration software on September 24, 2012. Transition rules will be as follows:

- Policies issued with an effective date of **October 24, 2012**, or after will receive the new rates
- Policies issued with an effective date prior to **October 24, 2012**, will receive the rates that were in effect at that time
- Reissue requests will not be honored
- Important: Policies backdated to an effective date prior to **October 24, 2012**, will receive the rates that were in effect for the effective date chosen. Backdated policies may require additional premiums. Backdating will be allowed to save age only; backdating requests to save rates will not be honored.

### Impacts of AG Secure Lifetime GUL re-price

It is important to note that we are committed to maintaining highly competitive premiums for the ages, risk classes and pay scenarios most popular with your clients. Plus, with cash value building earlier (as early as year 10), we've significantly increased the overall value of the product.

- In the target age range for the product (45-70) most clients who pay premium in all years will see a modest change to their premium. For clients choosing an age 100 guarantee period or longer, many premium rates are effectively unchanged.
- AG Secure Lifetime GUL policies will build cash value earlier than the original version of the product.
- Limited-pay and single-pay cases will see larger relative increases
- American General Life Companies will provide, as a delivery requirement, new quotes for cases received in house before the pricing changes effective **October 24, 2012**. See the transition rules above for complete details.

Policies issued by: **American General Life Insurance Company** (American General Life), 2727-A Allen Parkway, Houston, TX 77019; AG Secure Lifetime GUL Policy Form Numbers 10460, ICC-10460; **The United States Life Insurance Company in the City of New York** (US Life), One World Financial Center, 200 Liberty Street, New York, NY, 10281; AG Secure Lifetime GUL Policy Form Number 10460N. The underwriting risks, financial and contractual obligations and support functions associated with the products issued by American General Life and US Life are the issuing insurer's responsibility. Guarantees are subject to the claims-paying ability of the issuing insurance company. US Life is authorized to conduct insurance business in New York. These product specifications are not intended to be all-inclusive of product information. State variations may apply. Please refer to the policy for complete details. **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 American General Life Companies representative for assistance.