

American General Life Insurance Company

WHO IS ELIGIBLE TO CONVERT?

1. An employee who has terminated active employment for any reason.
2. An employee who has been transferred to a class of employees not eligible under the group policy.
3. An employee whose group life insurance has been terminated due to age or retirement.
4. An employee whose group life insurance has been reduced due to age is eligible to convert the amount lost due to the reduction.
5. If a Master Policy expires causing an employee's insurance to terminate, that employee is eligible for the conversion privilege as of the date of discontinuance, provided the employee was insured for group life insurance by American General Life under the policy for at least 5 years prior to the discontinuance. In these cases, the amount of insurance being converted shall not exceed the amount stated in the Master Policy.
6. A dependent of an employee who was insured for dependent life insurance under an American General Life Group Plan and whose insurance is cancelled due to the employee's retirement, termination, or death.

WHEN CAN YOU CONVERT

If you wish to convert your group life insurance and are eligible to do so, you must submit an application, accompanied by the first premium payment, to American General Life within 31 days following the date that the Group Insurance is discontinued.

DEATH CLAIM

If an employee dies during the 31 day period within which he/she can make an application for conversion, but before the individual policy becomes effective, the amount payable shall be the amount for which the employee was insured under the group policy. The claim will be paid under the provision of the group policy whether or not application for the conversion or the payment of the first premium had been made. If the claim is paid under the group life policy, payment will not be made under the converted policy and premiums paid for the converted policy will be refunded.

HOW MUCH CAN BE CONVERTED

Unless otherwise specified, you may convert any amount up to the amount of the group life insurance benefit you had under the group plan.

WHEN WILL THE CONVERTED POLICY BECOME EFFECTIVE

The converted policy shall take effect at the end of the 31 day period during which application may be made.

INDIVIDUAL LIFE INSURANCE AVAILABLE AT CONVERSION

You can convert your group life insurance for guaranteed cost individual life insurance. Guaranteed cost means that your premium payments are guaranteed not to change AFTER the individual life insurance policy is issued. A guaranteed death benefit and a guaranteed cash value are also provided through your premium payments.

The guaranteed death benefit is equal to the amount of group life insurance converted. The guaranteed cash value is shown in the individual life insurance policy when issued. Your guaranteed premium rate can be determined by referring to page(s) 4 and 5 of this brochure.

HOW TO APPLY FOR INDIVIDUAL LIFE INSURANCE

1. Determine the amount of insurance you can and want to convert.
2. Complete the conversion application. Note – be sure to have your employer complete the reverse side. Your application CANNOT be processed without this information.
3. Send the completed conversion application and premium payment within 31 days following termination of your group insurance coverage to:

American General Life Insurance Company
Group Insurance Department
PO Box 3883
Springfield, IL 62708

NOTE: The completed application and premium must be sent to American General Life within 31 days following termination of your group life insurance coverage.

AMERICAN ELITE WHOLE LIFE

Safe. . .in the face of uncertainty.

Protected . . . from the unexpected.

Prepared . . . to enjoy today knowing your tomorrows are protected.

Permanent protection.

With *American Elite Whole Life*, your death benefit will always be there as long as your premiums are paid.

- Coverage amounts as low as \$5,000 (\$1,000 for term conversions).
- Death benefit proceeds paid income tax-free to your beneficiaries. Proceeds paid equal the face amount plus any additional paid-up insurance, less any unpaid premiums and policy debt.
- Issue ages 0-70

Guaranteed cash values.

Your American Elite Whole Life policy accumulates cash values that are guaranteed and easily accessible. That's a reliable financial resource for emergencies or to supplement college tuition or retirement income savings programs – whatever the need and whenever it arises. Cash values grow tax-deferred.

- Policy loan rate – 8.0%. Loans may be repaid at any time. Any unpaid loans and accrued loan interest will be deducted from the amount paid at death or policy surrender.

Guaranteed premiums. Flexible payment options.

Your premium is level and guaranteed for the life of your policy. Better still, you can choose a premium payment plan that best fits your needs and budget – monthly (automatic bank draft), quarterly, semiannually or annually.

Nonforfeiture options.

If you're unable to pay your premium, *American Elite Whole Life* offers several options to keep you protected or to meet immediate cash needs.

- **Automatic Premium Loan** – You can automatically borrow against your policy's cash value to pay your premiums. Interest is charged until the loan is repaid.
- **Extended Term Insurance** – To maintain your protection, term insurance is purchased in an amount equal to your policy face amount, less any debt owed. The length of coverage depends on the amount of cash value available to pay the term insurance premium. This option is only available on policies issued on standard rated insureds.
- **Reduced Paid-Up Insurance** – Keeps you protected by using your policy's cash value, less any outstanding loans and interest due, to purchase a reduced, paid-up amount of whole life coverage.
- **Cash Surrender** – You may choose to surrender your policy at any time and receive the cash value, less any outstanding loans and interest due.

American Elite Whole Life is ideally suited for:

- Personal protection to safeguard your family's future
- Life events such as marriage or a new child
- Business protection
- Converting from term coverage to lifelong protection

THERE'S MORE...

American Elite Whole Life offers several **optional** benefits for added protection:

- **Premium Waiver** – American General Life Insurance Company will waive your *American Elite Whole Life* premiums as they come due in the event the insured is totally disabled.
- **Terminal Illness Rider** – Provides an accelerated death benefit (living benefit) when the insured is diagnosed with a terminal illness (12 months or less to live).

* Based on current federal income tax laws

* If policy loans are outstanding, any death benefit payable will be reduced by the amount of the loan outstanding, plus accumulated interest.

* Surrender may be a taxable event if the surrender proceeds are greater than the tax basis of the policy.

BEFORE YOU MAIL YOUR APPLICATION:

1. Answer all questions on the application as indicated and sign.
2. Have your former employer or Group Policyholder complete the back of the Conversion Application.
3. Mail the completed Conversion Application and premium payment to:
American General Life Insurance Company
Group Insurance Department
PO Box 3883
Springfield, IL 62708
5. REMEMBER: The completed application and premium must be sent to American General Life WITHIN 31 DAYS following termination of your group life insurance coverage.