



## The new era of guaranteed death benefit life insurance

Traditional Guaranteed Universal Life (GUL) insurance has long been the primary method of providing death benefit guarantees to clients. However, the sustained low interest rate environment has given many of us the opportunity to assess the way we address guaranteed death benefit protection for our clients. With consistent reprices- and even some carriers exiting the marketplace altogether-traditional GUL products are becoming increasingly expensive, making them less attractive as an affordable guaranteed death benefit product. This means other alternatives are being looked at more frequently.

Solutions like Index Universal Life (IUL) insurance that provide guaranteed death benefit for a certain duration and the upside market potential that is often attractive within IUL are becoming more popular than ever in the evolving and uncertain economic conditions.

**Value+ Protector** offers a strong guaranteed death benefit like traditional GUL products, up to age 90+, while also providing flexibility and cash accumulation. Additionally, the Accelerated Access Solution (AAS) rider provides a death benefit acceleration should the client get diagnosed with a qualifying chronic illness.

In fact, when comparing **Value+ Protector** to the leading GUL products in the marketplace today, you may get more benefits with the same premium as required in traditional GULs.

**At a conservative 5% illustrated rate using the premium of the average top 3 GUL carriers, Value+ Protector offers:**

- Guaranteed death benefit beyond life expectancy—to age 91.
- Death benefit can carry to lifetime (age 121) on conservative current rate assumption of 5%.
- Attractive cash value that can be accessed throughout the life of the policy for any need.
- Chronic illness protection with our **Accelerated Access Solution (AAS)** rider that provides a monthly benefit up to the IRS Per Diem at time of claim<sup>1</sup> should the client be diagnosed with a qualifying critical illness. Additional benefits of AAS include:
  - Full waiver of monthly deductions for the entire time the client is on claim
  - Condition does not need to be permanent in order to qualify for the death benefit acceleration
  - Client can choose how much of their death benefit that is allocated to the rider: 50%-100% (up to \$3M max)
  - Three monthly benefit payment options to choose from—capped by the IRS Per Diem at time of claim

Male, 55, Preferred Best, \$1M death benefit solving for 10 pay premium to guarantee DB for life on GUL carriers, using same premium in Value+ Protector with AAS (per diem payout option). 5% illustrated rate.



	Average Premium of Top Three GUL Carriers*	Value+ Protector with AAS
<b>Premium</b>	<b>\$28,402</b>	<b>\$28,402</b>
<b>CSV Year 20</b>	<b>N/A</b>	<b>\$420,472</b>
<b>Guarantee to Age</b>	<b>121</b>	<b>91</b>
<b>Carry to Age</b>	<b>121</b>	<b>121</b>
<b>Chronic Illness Protection</b>	<b>No</b>	<b>Yes</b>

\*Average of top three premiums from American National (\$26,839), Penn Mutual (\$28,990), and Nationwide (\$29,376). Premiums based on rates effective 7/20/2020.

**Should your clients continue to pay more for lifetime guarantees through the traditional method of GUL, when Value+ Protector provides the peace of mind of guaranteed death benefit beyond life expectancy, while providing flexibility, cash accumulation, and chronic illness protection?**



<sup>1</sup> IRS caps the maximum per diem limitation excludable from taxable income each year. The 2020 maximum is \$380/day or \$11,558/month. Subsequent years may be higher.

**Important Consumer Disclosures Regarding Accelerated Benefit Riders**

An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.

ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

Policies issued by American General Life Insurance Company (AGL), Houston, TX. Policy Form Numbers: ICC16-16760, 16760, 15442, ICC15-15442; Rider Form Numbers: 15600, ICC15-15600, 13600-5, ICC18-18012, 18012, ICC16-16420, 16420, 15972, ICC13-13601, 13601, 07620, ICC14-14002, 14002, ICC15-15992, 15992, 15997, ICC18-18004, 18004, ICC15-15990, 15990. Issuing company AGL is responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG). Guarantees are backed by the claims-paying ability of the issuing insurance company. AGL does not solicit business in the state of New York. Products may not be available in all states and product features may vary by state. Please refer to your policy.

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