

# Cash Value

## DINER

*Would you like cash with that?*



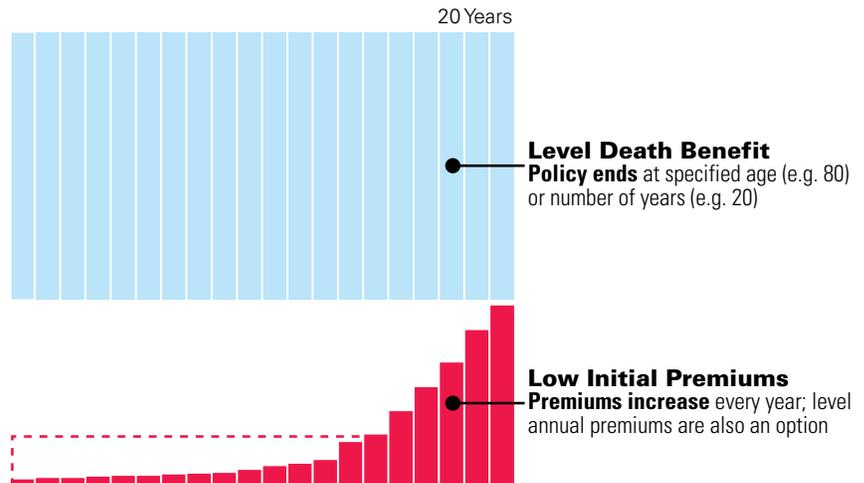
**American  
General**  
Life Companies

# - A la Carte Menu -

## Just the products, please!

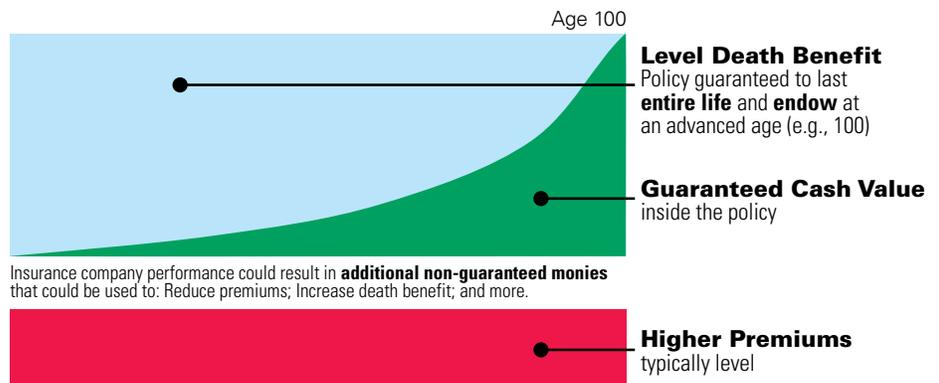
### The Basics

**Term Life:** Whether you want premiums that increase over time or premiums that stay level for a while, this product offers the simplest coverage. But, be careful, it doesn't last forever! It's great for short-term needs, though – kind of like 'renting' your insurance.



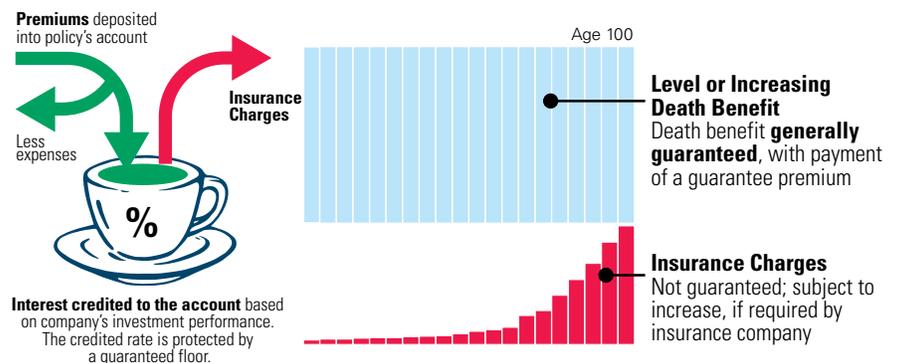
### Cash Value Grand-Daddy

**Whole Life (WL):** This *IS* your grandfather's insurance product – invented for those who want their coverage to last as long as they do. It typically bundles insurance coverage for life, level annual premiums and internal, tax-deferred cash value – all guaranteed! For those who can afford it and want the maximum in guarantees that insurance can offer, there's no arguing with this classic.



### Unbundle It

**Universal Life (UL):** Also known as Flexible Premium Adjustable Life or Current Assumption UL, this product seeks to unbundle a WL policy into its components: insurance protection, an interest-bearing account, fees and charges, etc. With this product, you can see how much you are paying for the coverage as well as how much is being credited to your policy's account. There are generally fewer guarantees than WL and the interest rate is a big driver in the success of this policy.

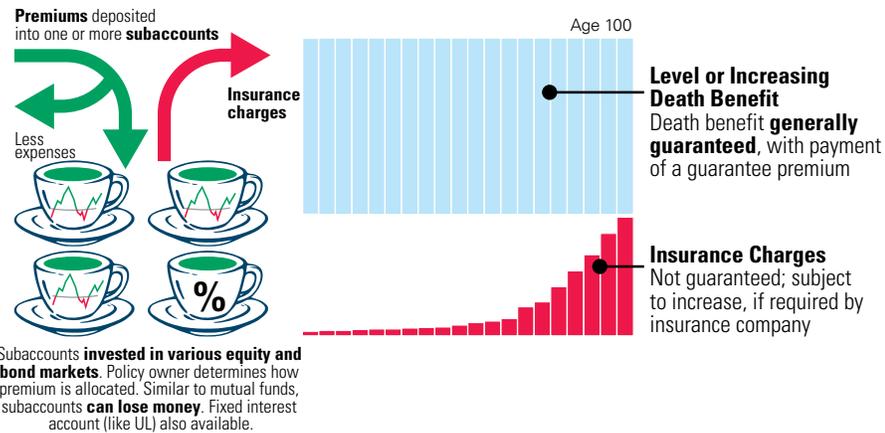


# - A la Carte Menu -

## Just the products, please!

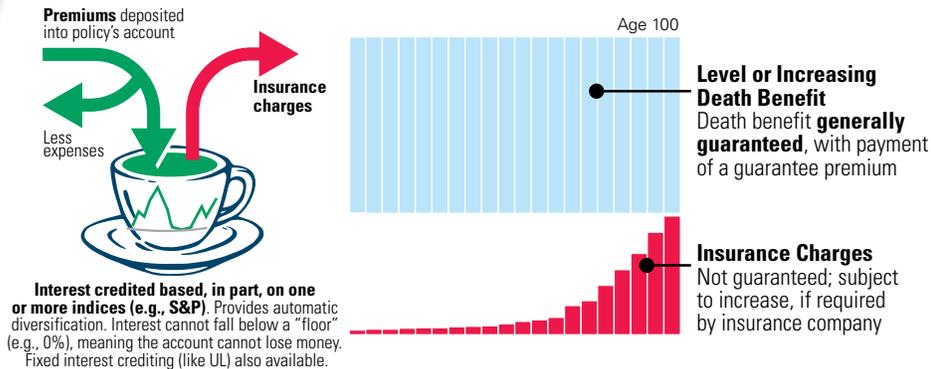
### Taking the Gloves Off

**Variable Universal Life (VUL):** For those that like the unbundled aspect of UL, but want their cash value invested in the markets (for maximum potential cash accumulation), this is the product for you! The cash value component of VUL is broken into several subaccounts with different investment objectives (e.g., "growth" or "aggressive growth"). While these subaccounts can offer a significantly higher growth potential, they also increase the risk that the policy values will suffer (lose money) when the markets perform badly. Not for the risk averse!



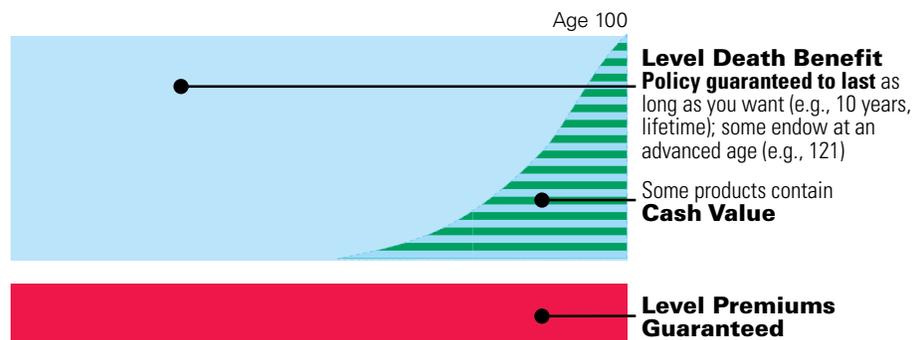
### Ouch! Where's My Safety Net?

**Indexed Universal Life (IUL):** Can you have an unbundled permanent product that takes advantage of the markets when they're good, but protects your cash value when they're not so good? By tying this product to a stock index (or two or three), this product was built to allow your cash value to increase (within limits) when the markets increase, but protects your account(s) from experiencing negative returns when the markets turn downward (as they certainly do, from time to time).



### More Guarantees Please!

**Guaranteed Universal Life (GUL):** When you want to guarantee your coverage for life, but want to do it at the lowest possible premiums, here's your product. It's not much on cash value (many policies don't have any at all), but with guaranteed coverage and guaranteed premiums, this is a "permanent" alternative to term.



### Give Me a Hybrid

Here, at the diner, we are nothing, if not creative in the kitchen. You'll find blended products, such as Index Guaranteed Universal Life (I-GUL), as customers ask for more and more flexibility.

# - Combo Plates -

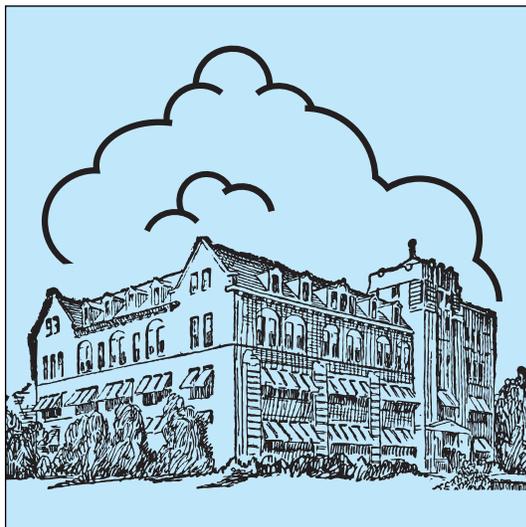
*I'll take cash with that!*

The need for straight up life insurance coverage is always on the menu. But if you want to ensure that the coverage will be there all the way to the finish line (think "permanent"), then you're going to want to "take cash with that" order. The number one reason to buy a permanent product is to extend the coverage beyond the "term."

Now, what if you live a long time? Can you use that cash for other things? You bet! And, if designed properly, there are tax benefits galore! First, the death benefit is income tax-free! Next, the cash values build tax-deferred (no 1099 on this menu)! Finally, when it's time to take cash out of the policy, you can do so without paying income taxes on the withdrawals! There are a few rules that must be followed in order to reap these tax benefits – but your waiter can help you with those.

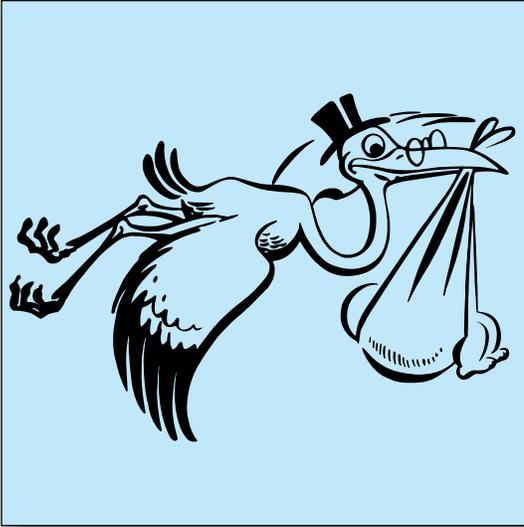
## *The Golden Years*

Okay, so you want to save for retirement – good choice! After you have taken advantage of some of the "qualified plans" available to you (e.g., 401(k), IRA), a cash value policy may be on your plate. You see, if you put ALL your retirement savings dollars into your 401(k) and you need to get some of it back, then there will, likely, be penalties and taxes to pay on the withdrawals. But with cash value insurance, you don't have to wait until retirement to access your money. And you can take your money income tax-free! Plus, if you die before retirement, this retirement supplement can self-complete with payment of the death benefit – no retirement plan can offer this!



## *The Ivy Leaguer*

This is the perfect option for the future graduate! Here's a college savings program that has no prerequisites (except that you can pass underwriting)! Anyone can contribute to a cash value insurance product. The cash value builds tax-deferred, and can be distributed tax-free. Wait a minute! Coverdell and 529 plans are: 1) not tax-deductible, 2) grow tax-deferred and 3) distribute tax-free (just like the insurance!). BUT, those tax-free distributions can only be used for education expenses (or you pay taxes and a penalty!). AND, if you don't use up the funds (say, the little student doesn't finish school), you have to pay taxes and a penalty to get the balance of your money out! Not so with cash value insurance!



## *The Unexpected Surprise*

It's one thing to save money for those anticipated expenses (e.g., retirement, college), but what about life's not-so-little surprises – a new baby, a leaky roof, replace your car? Most folks set aside money in taxable accounts – savings accounts, mutual funds, etc. But, if you want to accumulate funds tax-deferred, and get that money out tax-free – with no strings attached – there is only ONE option: permanent life insurance!

## *Premium, Be Gone!*

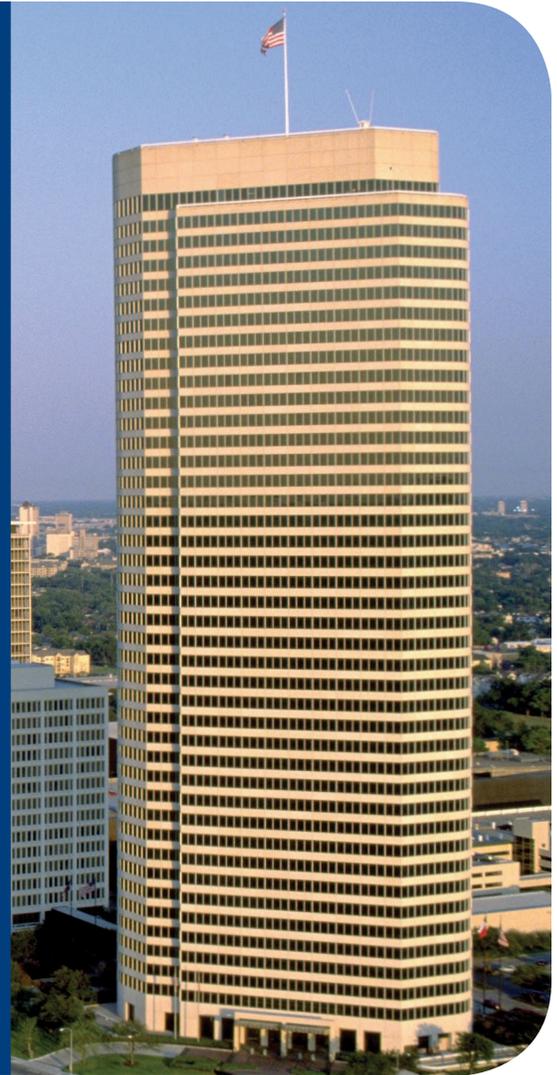
Here's an option for diners who simply want permanent insurance coverage, but don't want to pay for it the rest of their lives! With cash value life insurance, the money in the policy can be used to pay the premiums! Just pay into the policy for awhile and, if the policy has enough cash, tell your waiter that you don't want to pay anymore. Kind of like telling your meatloaf platter to pay the bill (with the tip)!



## *Giving You the Business*

Do you own a business? Would you like a little cash with your business? Tax-deferred cash? With tax-free access? Well, we have just the entrée! Whether you are funding a buy-sell, providing benefits for key employees or just looking to set aside a little cash for your own retirement, a permanent product could be just the thing!

American General Life Companies insurers have been serving up insurance to their customers for over 160 years. We like to think that with such a long history, we're pretty good at getting your order right. Whether you have simple tastes or a discriminating palette, when you open our menu, we're confident that you'll find just what you're looking for. And don't forget – when you're placing your order, tell your friendly server, "I'll take cash with that!"



**American General**  
Life Companies

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